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Title 3—THE PRESIDENT

Proclamation 3320

VETERANS DAY, 1959

By the President of the United States of America

A Proclamation

WHEREAS the strength of our Nation, founded on the principle of liberty and justice for all, is dependent upon the will of our people to serve; and

WHEREAS those who have served in the armed forces of our country have made great sacrifices to preserve and advance our way of life, many even to the last full measure of devotion; and

WHEREAS the Congress by an act approved June 1, 1954 (68 Stat. 168), designated November 11, previously declared a legal holiday, as Veterans Day in honor of our veterans and as a day dedicated to the cause of world peace:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby call upon all our citizens to observe Wednesday, November 11, 1959, as Veterans Day. On that day, let us remember the debt we owe to those men and women who, by serving in the armed forces, have borne the standard of freedom, defended the concepts upon which our forefathers conceived this Nation, and preserved our liberty.

I also direct the appropriate officials of the Government to arrange for the display of the flag of the United States on all public buildings on Veterans Day.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 9th day of October in the year of our Lord nineteen hundred and [SEAL] fifty-nine, and of the Independence of the United States of America the one hundred and eighty-fourth.

DWIGHT D. EISENHOWER

By the President:

CHRISTIAN A. HERTER,
Secretary of State.

[F.R. Doc. 59-8766; Filed, Oct. 14, 1959; 2:36 p.m.]

Proclamation 3321

DETERMINING (—) 3-HYDROXY-N-PHENACYLMORPHINAN TO BE AN OPIATE

By the President of the United States of America

A Proclamation

WHEREAS section 4731(g) of the Internal Revenue Code of 1954 provides in part as follows:

Opiate. The word "opiate", as used in this part shall mean any drug (as defined in the Federal Food, Drug, and Cosmetic Act; 52 Stat. 1041, section 201(g); 21 U.S.C. 321) found by the Secretary or his delegate, after due notice and opportunity for public hearing, to have an addiction-forming or addiction-sustaining liability similar to morphine or cocaine, and proclaimed by the President to have been so found by the Secretary or his delegate. * * *;

AND WHEREAS the Secretary of the Treasury, after due notice and opportunity for public hearing, has found that the following-named drug has an addiction-forming or addiction-sustaining liability similar to morphine, and that in the public interest this finding should be effective immediately:

(—) 3-Hydroxy-N-phenacylmorphinan.

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby proclaim that the Secretary of the Treasury has found that the aforementioned drug has an addiction-forming or addiction-sustaining liability similar to morphine and that in the public interest this finding should be effective immediately.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States to be affixed.

DONE at the City of Washington this twelfth day of October in the year of our Lord nineteen hundred and [SEAL] fifty-nine, and of the Independence of the United States of America the one hundred and eighty-fourth.

DWIGHT D. EISENHOWER

By the President:

CHRISTIAN A. HERTER,
Secretary of State.

[F.R. Doc. 59-8765; Filed, Oct. 14, 1959; 2:36 p.m.]

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THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

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CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

A Cumulative Codification Guide covering the current month appears at the end of each issue beginning with the second issue of the month.

Executive Order 10848

AMENDMENT OF EXECUTIVE ORDER NO. 10843,[1] CREATING A BOARD OF INQUIRY TO REPORT ON A LABOR DISPUTE AFFECTING THE STEEL INDUSTRY OF THE UNITED STATES

By virtue of the authority vested in me by section 206 of the Labor-Management Relations Act, 1947, 61 Stat. 155 (29 U.S.C. 176), I hereby amend the second sentence in the penultimate paragraph of Executive Order No. 10843 of October 9, 1959, entitled "Creating a Board of Inquiry To Report on a Labor Dispute Affecting the Steel Industry of the United States", to read as follows:

"The Board shall report to the President in accordance with the provisions of section 206 of such Act on or before October 19, 1959."

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
October 14, 1959.

[F.R. Doc. 59-8770; Filed, Oct. 14, 1959; 4:22 p.m.]

RULES AND REGULATIONS

Title 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

SUBCHAPTER C—OPERATING LOANS

[FHA Instruction 441.1]

PART 341—POLICIES AND AUTHORITIES

PART 344—GROUP SERVICES

Operating Loans to Full-Time Family-Type Farmers

Part 344 in Title 6, Code of Federal Regulations (13 F.R. 9423, 20 F.R. 398), is hereby revoked, and Subpart A of Part 341 in Title 6, Code of Federal Regulations (23 F.R. 10394), is revised to read as follows:

Subpart A—Operating Loans to Full-Time Family-Type Farmers

Sec.

AUTHORITY: §§ 341.1 to 341.12 issued under secs. 21, 41, 44, 50 Stat. 524, as amended, 528, as amended, 530, as amended; 7 U.S.C. 1007, 1015, 1018. Order of Acting Sec. of Agri., 19 F.R. 74, 77, 22 F.R. 8188.

§ 341.1 General.

(a) This subpart prescribes the policies and authorities for making operating loans to full-time operators of family-type farms as authorized under Title II of the Bankhead-Jones Farm Tenant Act, as amended. The terms "full-time operator" and "family-type farm" as used in this subpart are defined in § 341.4.

[1] 24 F.R. 8289.

(b) Preference will be given to eligible veteran applicants in making operating loans. However, there is no difference in the eligibility and loan requirements for veterans and nonveterans.

§ 341.2 Supervisory assistance.

Borrowers will receive supervisory assistance and assistance in developing long-time and annual farm and home plans, keeping records, and analyzing their farm and home business to the extent deemed necessary by the Farmers Home Administration.

§ 341.3 Relationship with production emergency loans.

Initial operating loans will not be made to applicants in areas designated for production emergency loans when the credit needed is primarily for annual operating expenses and can be scheduled for payment in full from the first year's operations, provided such applicant's credit needs can be met adequately with such emergency loans.

§ 341.4 Eligibility.

(a) *Applicant* To be eligible for a loan, the applicant must be an individual who:

(1) Is a citizen of the United States.

(2) Possesses legal capacity to contract for the loan.

(3) Is unable to obtain sufficient credit to finance his actual needs at rates (but not exceeding the rate of 5 percent per annum) and terms prevailing in or near his community for loans of similar size and character. Real estate equity should be considered along with the other resources of an applicant in determining the availability of credit from private and cooperative sources.

(4) Can meet, during the period that operating loans likely will be needed, his major needs for operating credit within the indebtedness limitation prescribed in § 341.8, except for the financing of special enterprises such as some livestock feeding operations, and sugar beets where financing on a contractual or equally definite basis is available.

(5) Possesses the character, ability, industry, and experience necessary to carry out successfully the proposed farming operations and will honestly endeavor to carry out the undertakings and obligations required of him in connection with the loan.

(6) At the time he applies for a loan, is the owner-operator of a farm, a farm tenant, a farm laborer, a sharecropper, or other individual who obtains the major portion of his income from farming. Exceptions may be made to this requirement in justifiable circumstances for individuals whose normal means of livelihood in the past has been farming but who may not have depended primarily on farming for their livelihood during the past few years but not beyond five years.

(7) After the loan is made, will be the operator of a family-type farm as defined in § 341.4(b) as an owner or tenant. Such an operator will be considered as a full-time family-type farmer. However, an applicant who will not operate a family-type farm as defined in § 341.4(b) or who plans to devote a substantial part of his time to off-farm employment will be considered as a part-time farm operator and will be considered for operating loans only under the provisions of Subpart B of this part.

(b) *Family-type farm.* A family-type farm is defined as a farm (1) that is of sufficient size and productivity to furnish income that will enable a farm family to have a reasonable standard of living, pay operating expenses including maintenance of necessary livestock, farm and home equipment, and land and buildings, pay their debts, and have a reasonable reserve to meet unforeseen emergencies, (2) for which the management is furnished by the operator and his immediate family, and (3) for which the labor is furnished primarily by such operator and family except during seasonal peak-load periods. It is not intended to include in this definition farms which require large amounts of seasonal hired labor.

§ 341.5 Certification by applicant.

Before an application for an operating loan is considered, the applicant must certify in writing on Form FHA-49, "Certifications—Operating Loans," that he is a citizen of the United States and that sufficient credit to meet his actual needs for the designated crop year is not available to him at rates (but not exceeding the rate of five percent per annum) and terms for loans of similar size and character prevailing in or near the community where he resides. The applicant also must agree to abide by the other provisions set forth in Part I of Form FHA-49.

§ 341.6 Certification by County Committee.

Before an operating loan is approved, the County Committee must certify in writing on Form FHA-49 at a Committee meeting that the applicant is eligible to receive a loan under the provisions of Title II of the Bankhead-Jones Farm Tenant Act, as amended; credit sufficient in amount to finance the actual needs of the applicant is not available to him at the rates (but not exceeding the rate of five percent per annum) and terms prevailing in or near the community in which the applicant resides for loans of similar size and character from commer-

cial banks, cooperative lending agencies, or from any other responsible source; and in the opinion of the Committee, the applicant will honestly endeavor to carry out the undertakings and obligations required of him. In addition, the County Committee will establish the maximum amount of credit which may be extended under the certification to meet the actual needs of the applicant during the crop year indicated.

(a) The maximum amount of credit established by the County Committee will represent the ceiling for the total of all operating loans which may be made to the applicant during the designated crop year, which may be an interim or full crop year, or both, under the County Committee certification, but a lesser amount may be loaned.

(b) If it is found, after an applicant has been certified as eligible, that a different farm will be operated or that an amount of credit in excess of the maximum previously established by the County Committee will be required for the designated crop year, it will be necessary for the County Committee again to certify the applicant as eligible on the basis of the changed circumstances if a loan is to be made.

§ 341.7 Loan purposes.

(a) Subject to the loan limitations and special requirements set forth in § 341.8, operating loans may be made for:

(1) The purchase of necessary livestock, farm equipment, and other farm needs. This includes the purchase of items of farm equipment such as irrigation pumps and motors, bulk milk tanks, and pipe line milkers which may become attached to the real estate, provided such equipment (i) cannot be provided practicably through a Real Estate loan, and (ii) is made subject to the Farmers Home Administration lien as prescribed in § 341.10(a)(3).

(2) The purchase of feed, seed, fertilizer, insecticides, farm supplies, and equipment repairs, and to meet other essential farm operating expenses.

(3) The payment of customary and equitable cash rent or cash charges for the use of farm buildings, pasture, crop, or hay land, and grazing permits if all of the following conditions exist:

(i) Arrangements cannot be made for such rent or charges to fall due at the time when income for such payments is expected to become available.

(ii) The applicant is obligated under a written lease to pay such rent or charges in advance of the time when income is expected to become available to him for that purpose and the payment from loan funds is made in advance of such time.

(iii) Not more than one year's cash rent or cash charges are paid with loan funds in any one lease year except that near the end of the current lease year such rent or charges may also be paid in advance with loan funds for the succeeding lease year.

(iv) The terms of the lease provide the applicant with reasonably secure and satisfactory tenure.

(4) The payment of bills that were incurred for annual recurring operating expenses in connection with the production of livestock, livestock products, and crops that are harvested or marketed during the crop year for which the loan is being made. This does not authorize the payment of bills incurred in connection with crops, livestock, or livestock products that have been lost, destroyed, or disposed of prior to loan approval.

(5) The payment of (i) taxes due or about to become due on real and personal property, (ii) Social Security taxes in connection with hired labor only, (iii) water or drainage charges or assessments, and (iv) premiums for insurance on real and personal property. Loans will be made for these purposes only if arrangements cannot be made to pay such expenses as future income becomes available. However, loan funds will not be used to pay taxes or insurance premiums in connection with real estate securing Farmers Home Administration loans other than operating loans.

(6) The payment of not more than a year's interest calculated at a rate not to exceed that which is reasonable and customary for the area, that is due or about to become due on debts secured by liens on livestock, farm equipment, and farm real estate owed to other creditors. Loans will be made for this purpose only if arrangements cannot be made to pay such expenses as future income becomes available.

(7) Meeting family subsistence needs, including premiums on reasonable amounts of health and life insurance and expenses for medical care. Applicants must understand, however, that within the limits of their resources they must plan and carry on adequate food production and conservation programs. Normally, family subsistence needs should be met from income. However, in justifiable cases, such as those in which the income will not be received by the time that family subsistence needs must be met, loan funds may be used for these purposes if no other satisfactory arrangements can be made.

(8) The purchase of essential home equipment and furnishings, and the payment for home equipment repairs required by the applicant family to sustain itself on the farm in a reasonably satisfactory manner, provided such expenses cannot be met from cash on hand or on terms which the family could reasonably be expected to meet as income becomes available.

(9) Acquiring memberships in farm purchasing and marketing and farm service type cooperative associations. However, loan funds will not be used to (i) purchase memberships in production cooperatives, (ii) participate in any land purchasing or land leasing program, (iii) purchase memberships for the purpose of establishing control by the Farmers Home Administration in any type of cooperative, or (iv) furnish a majority of the associations' capital requirements.

(10) The purchase of an undivided interest in livestock, farm equipment, or facilities to be operated under a joint arrangement or as a group service, provided the loan can be secured in accordance with § 341.10(a)(3).

(11) The refinancing of debts secured by liens on livestock, farm equipment, and harvested feed and the refinancing of unsecured debts incurred for the acquisition of livestock and farm equipment when such action is necessary to enable the applicant to continue his farming operations on a sound basis, or prevent a split line of credit between the Farmers Home Administration and another creditor(s) in connection with a livestock herd or flock, provided (i) the property involved is essential to the applicant's farming operations and is the type and quality needed, and (ii) the amount refinanced does not exceed the market value of the property on which the indebtedness is owed as shown by an appraisal report on such property made by the county supervisory personnel as prescribed in § 342.3(e) of this chapter. This includes the refinancing of debts on items of farm equipment which are or may become attached to the real estate as authorized in subparagraph (1) of this paragraph provided such equipment is made subject to the Farmers Home Administration lien as prescribed in § 341.10(a)(3). When the refinancing of debts is being considered under this subparagraph, the creditor will be contacted by a Farmers Home Administration employee, in person when practicable, to discuss the applicant's credit needs to determine if the refinancing is necessary and in line with Farmers Home Administration policies.

(12) The construction of necessary farm buildings, making essential repairs and improvements to existing farm buildings, and purchasing equipment and paying other costs incident to establishing or improving a farmstead water supply, provided not more than $1,000 may be advanced to a borrower for any or all such purposes during any fiscal year and subject to the limitations in paragraph (b) of this section.

(13) The purchase of fencing material, provided not more than $500 may be advanced to a borrower for such purpose during any fiscal year and subject to the limitations in paragraph (b) of this section.

(14) The establishment and improvement of pastures and hay crops, the construction of terraces, waterways, and farm ponds, the clearing, leveling, and drainage of land, and the payment for other approved soil and water conservation and improvement measures, provided not more than $1,000 may be advanced to a borrower for any or all such purposes during any fiscal year and subject to the limitations in paragraph (b) of this section.

(b) The use of operating loan funds for real estate improvements authorized in subparagraphs (12), (13), and (14) in paragraph (a) of this section is subject to the following limitations:

(1) It is not intended that these authorities will be used to make substantial real estate improvements by advancing funds year after year.

(2) Before an operating loan is made for such real estate improvements, a

careful analysis must be made of the applicant's resources and proposed operations and a determination made (i) that such real estate improvements cannot be provided practicably through farm ownership or farm housing loans, (ii) that the land improvements and water development credit needs are not of such substantial amounts that a soil and water conservation loan should be made, (iii) that the farm can be developed to the extent that a sound farm and home program can be established on the farm within the prescribed operating loan limitations, taking into consideration the applicant's need for additional operating credit during the period of development, and (iv) that the applicant will be able to pay his operating loans within the prescribed payment period.

(3) Generally, additional real estate improvements needed on the farm of a Farmers Home Administration real estate loan borrower should be obtained through a real estate loan. However, when the development costs are small in relation to the real estate investment and can be provided under the policies set forth above, operating loan funds may be used for this purpose provided the loan approval official determines that:

(i) In the case of a farm ownership borrower, the sum of the unpaid balance on the farm ownership loan, any other indebtedness secured by liens on the real estate, plus the amount of the operating loan being used for real estate improvements will not exceed the farm ownership loan limitations with respect to the value of the farm as certified by the County Committee.

(ii) In the case of a farm housing or soil and water conservation borrower whose loan is secured by real estate, the unpaid balance on the farm housing or soil and water conservation loan, any other indebtedness secured by liens on the real estate, plus the amount of the operating loan funds being used for real estate purposes do not exceed the normal market value of the farm as determined by the County Committee.

(4) Operating loan funds may not be used to finance real estate improvements which are included in the original Farm Development Plan.

(5) Operating loans may not be made to a tenant to finance real estate improvements unless he has a written lease for a sufficient period of time and under terms that will enable him to obtain reasonable returns on his investment. In addition, the lease in such case must provide for compensating the tenant for any unexhausted value of the improvement upon termination of the lease. In cases involving tenant applications, the loan docket must contain positive evidence that the landlord, applicant, and County Supervisor have thoroughly discussed and agreed to the proposed improvements. In the case of an owner-operator, it must be determined before funds are advanced for real estate improvements that he will likely continue to operate the farm for a sufficient period of time and under such terms that will enable him to obtain reasonable returns on his investment.

§ 341.8 Loan limitations and special requirements.

(a) *Purposes for which loan funds may not be used.* Loans may not be made for any purpose other than those authorized in § 341.7(a). While it is not practicable to list all of the purposes for which loan funds may not be used, the following are those commonly requested by applicants which are not authorized:

(1) The purchase of passenger automobiles, the refinancing of debts secured by liens on such automobiles, or the payment of unsecured debts incurred for the purchase of such automobiles.

(2) The purchase of real estate, or the making of payments on or the refinancing of any real estate indebtedness other than the payment of taxes as authorized in § 341.7(a)(5) and interest as authorized in § 341.7(a)(6).

(3) Replacing livestock, farm equipment, or crops sold, or refinancing debts incurred primarily for the purpose of obtaining funds for any of the real estate purposes referred to in subparagraph (2) of this paragraph, if such action was taken by the applicant with the intent of replacing the chattel property or refinancing the debt with operating loan funds.

(4) The purchase of livestock or payment of debts on livestock which will result in split lines of credit between the Farmers Home Administration and other creditors in connection with a basic livestock herd or flock.

(5) The payment of debts owed by the applicant to the Farmers Home Administration or to make principal or interest payments on such debts.

(6) The payment of Social Security taxes on behalf of the farm operator or to pay income taxes.

(b) *Limitation on amount of loan.* The amount of each loan will be limited to the needs of the applicant and his ability to pay. Normally, these needs can be met within a total outstanding principal indebtedness of $10,000. However, when the credit needs of an individual applicant exceeds this amount because of the type of farming operation which he proposes to carry out or unusual operating needs, loans may be made which would result in an indebtedness in excess of $10,000, but in no case may a loan be made which would cause the total principal balance outstanding to exceed $20,000 for loans made under Title II of the Bankhead-Jones Farm Tenant Act, as amended, including loans made from State Rural Rehabilitation Corporation Trust Funds since November 1, 1946.

(c) *Continuous indebtedness limitation and use of extension agreement.* No loan may be made to an applicant who has been indebted for loans made under Title II of the Bankhead-Jones Farm Tenant Act, as amended, for seven consecutive years until all of his indebtedness under such loans has been liquidated by payment in full or debt settlement except as provided herein. Normally, it is expected that a borrower will not need further Farmers Home Administration operating loans after the 7-year period of continuous indebtedness. The period of continuous indebtedness will begin with the date of the check representing the oldest operating loan (including any production and subsistence loan) received during the period for which the borrower has been indebted continuously, even though that loan may have been paid in full. The period of continuous indebtedness is not terminated unless at least one day has elapsed between the date an applicant pays his operating loan indebtedness (including any production and subsistence loan indebtedness) and the date of any further operating loan check. No loans may be made to an applicant who has refinanced his Farmers Home Administration indebtedness for the purpose of establishing a new period of continuous indebtedness.

(1) In individual cases in which the borrower has reached the 7-year continuous indebtedness limitation, and applies for additional credit, the County Committee will review thoroughly the borrower's past operations, present and future credit needs, and repayment ability. If it is determined by the County Committee and the loan approval official that (i) the borrower is unable to pay his indebtedness as originally scheduled; (ii) such inability was due to causes beyond the borrower's control, such as adverse weather, crop or livestock disease or pestilence, sickness, fire, reduction in acreage allotments, unfavorable price-cost relationships, or other economic factors occurring during the 7-year period of continuous indebtedness; (iii) with an extension of the present indebtedness as provided herein and with additional operating loans, the borrower will be able to accomplish the objectives of the loan and pay his indebtedness in full; (iv) all junior lien holders will agree in writing to the proposed extension; and (v) the borrower meets the other requirements for the loan, the borrower's existing indebtedness or any installment thereof may be extended for a period not beyond 10 years from the debt limitation control date and, during such extended period, additional loans may be made to him.

(2) The installment(s) being extended will be scheduled for payment in line with the borrower's ability to pay, taking into consideration the other debts owed the Farmers Home Administration, provided (i) the installment(s) extended will be scheduled for payment within 10 years from the debt limitation control date, and (ii) no installment of any existing note falling due after 10 years from the debt limitation control date may be extended as to date or changed as to amount.

(d) *Joint loans to family members operating one family-type farm.* A joint loan may be made to husband and wife, mother and son, or father and son, living together as a family and operating jointly one family-type farm unit. No other joint loans may be made. When joint loans are made, both individuals will execute the application, certification, loan authorization, notes, mortgages, and

other documents required in connection with the making and closing of the loan.

(e) *Loans to two individuals jointly engaged in operating the equivalent of two family-type farms.* Separate loans may be made to eligible individuals who are engaged jointly in farming, provided (1) not more than two individuals are interested in the operations, (2) the security requirement contained in § 341.10 are met, and (3) the operations provide the equivalent of a family-type operation for each applicant family. If a loan is made to only one such individual, it will be secured by a lien on his interest in the crops and chattel property as required by § 341.10. If a loan is made to each of the two individuals, separate mortgages may be taken to secure the loans or a joint mortgage may be taken and executed by both borrowers.

(f) *Loans to applicants for whom debts have been settled.* Before a loan can be made to an applicant for whom debts have been settled pursuant to Part 364 of this chapter, as reflected by the County Office records, or where a settlement under such Part 364 is contemplated, it must appear conclusively that (1) the applicant's failure to pay his loan indebtedness was the result of circumstances beyond his control, (2) the causes which necessitated the debt settlement, other than weather hazards, disasters, or price fluctuations, have been removed, and (3) the borrower's operations will be sound and afford him a reasonable prospect of paying the loan and meeting his other obligations. Loans in such cases must be submitted to the National Office for review prior to approval.

(g) *Financing unproven types of farming enterprises.* Loans will not be made to finance unproven types of farming enterprises in an area.

§ 341.9 Rates and terms.

Interest will be charged at the rate of 5 percent per annum on all operating loans. Interest will accrue from the date of the loan check on outstanding principal only and will not be compounded. Loans will be scheduled for payment as follows:

(a) Payments of principal on operating loans will be scheduled in accordance with the borrower's reasonable ability to pay, determined by an analysis of his farm and home operations as reflected in his farm and home plans except that payments must be in more than token amounts. Except as provided in paragraph (b) of this section, principal payments on such loans will be scheduled at least annually, unless it is determined that income sufficient to meet the initial payment will not be received within 12 months from the date of the loan check, in which case the initial payment may be scheduled on a date coinciding with the date the income is to be received, but not beyond 18 months from the date of the loan check, and at least one payment will be scheduled during each 12-month period thereafter. In no event will any payment be scheduled later than seven years from the date of the loan check.

(1) Advances for annual recurring operating expenses will be scheduled for payment when the principal income from the year's operations normally would be received. This includes advances for payment of bills as outlined in § 341.7(a)(4).

(2) Advances for such purposes as seeding permanent type legumes and grasses and for basic soil treatment may be scheduled for payment over a period consistent with the applicant's payment ability, but in no event longer than the expected life of the seeding or treatment.

(3) Advances to purchase or produce feed for productive livestock, or livestock to be fed for the market, will be scheduled for payment when the principal income from the sale of such livestock or livestock products can be expected.

(4) Advances for purposes other than those enumerated in subparagraphs (1), (2), and (3) of this paragraph will be scheduled for payment over the minimum period consistent with the applicant's ability to pay, as determined from an analysis of the farm and home operations. In no instance may the payment schedule extend beyond the useful life of the security offered for the advance. Where the conditions warrant such action, principal payments may be varied in amount from year to year, but late installments on a loan should not be scheduled in larger amounts than can be met from anticipated income.

(b) When it is anticipated that income will not be received early enough to pay the minimum initial principal payment required in accordance with the provisions of paragraph (a) of this section plus interest, part or all of such payment, including advances for operating expenses, may be deferred in the situations indicated below but not beyond the end of the second full crop year following the date of the loan. If a loan is made during a crop year and sufficient time remains in that year for the applicant to realize substantial benefits from the year's operations, the crop year during which the loan was made will be considered as the first full crop year. The amount of the initial principal installment scheduled for payment will be based upon the applicant's anticipated ability to pay, taking into consideration the fact that the interest which has accrued will fall due concurrently with each principal installment. Deferments may be approved only in the following situations:

(1) A major farm reorganization is planned and a relatively large amount of credit is being advanced to provide operating capital, or

(2) Substantial amounts of credit are being advanced for pasture development, fencing, and other land improvements, and a longer repayment period is needed for paying advances for these purposes along with advances for capital purchases.

§ 341.10 Security policies.

(a) Each loan will be secured as follows:

(1) *Crops, title to which is held by the borrower.* By a first lien on the applicant's crops, or his share of the crops if he is a share tenant, which are growing or to be grown by him, subject only to:

(i) The landlord's lien on the crops for reasonable cash or privilege rent for the current year.

(ii) The real estate mortgagee's lien or real estate purchase contract holder's lien on the crops for the current year's installment on the real estate debt, provided such installment is reasonable when related to the normal rental charges for similar farms in the area.

(iii) The lien of another creditor on a particular crop(s) for advances made or to be made by him to produce such crop(s) provided no advance will be made by the Farmers Home Administration in connection with such crop(s).

(iv) The contract of another creditor or the lien in connection with such contract on a particular crop(s) for advances made or to be made by him to produce, harvest, process, or market such crop(s) provided the crop(s) is under written contract with the creditor and the contract limits advances to production, harvesting, processing, or marketing costs in connection with the contract crop or to purposes related thereto.

(2) *Crops grown under contract when title to the crop is held by the contractor.* When a crop is being produced, harvested, processed, or marketed by the applicant under an equitable written contract with a responsible contractor and title to the crop is retained by such contractor, loans may be made in connection with such crops provided (i) the contractor limits his advances to production, harvesting, processing, or marketing costs in connection with the contract crop or to purposes related thereto, and (ii) an assignment of the applicant's share of the income from the crop is taken by the Farmers Home Administration and is accepted in writing by the contractor holding title to the crop. However, when no payment is expected to be made on the loan from the crop(s), an assignment will not be required.

(3) *Livestock and farm equipment purchased or refinanced.* By a first lien on all livestock, including poultry and farm equipment and facilities, including undivided interests in such property, purchased or refinanced with the proceeds of the loan (except that liens will not be taken on poultry kept primarily for subsistence purposes, on small equipment and tools, or on household goods and equipment).

(i) When operating loan funds are used to purchase or refinance debts on portable buildings or equipment for a farmstead water supply, a first chattel lien will be obtained on such equipment of security value if a valid lien can be obtained under the state law.

(ii) An applicant obtaining a loan for the purchase of an undivided interest in livestock, farm equipment, or facilities will secure his loan by a mortgage on his undivided interest in the item purchased, along with any other security required by this section. Joint mortgages will not be taken except as provided in § 341.8 (d) and (e). Each party having an undivided interest in the livestock, farm equipment, or facility purchased will execute Form FHA-844,

"Agreement for Disposition of Jointly-Owned Property," providing for the disposition of his interest in the property. However, Form FHA–844 will not be required when a tenant and landlord own property jointly and the lease provides for satisfactory division of such property or the proceeds from its sale, or a joint mortgage is taken to secure loans to two individuals jointly engaged in farming.

(4) *Other livestock and farm equipment of security value.* By a lien on other livestock, poultry, and farm equipment of security value. By a lien on applicant at the time the loan is approved, including any undivided interest in such property owned by the applicant jointly with others who have an interest in the farming operation, except that liens will not be taken on farm trucks unless the loan approval official determines that such liens are needed to adequately secure the loan; liens will not be taken on small equipment and tools, on household goods and equipment, on passenger automobiles, or livestock or poultry kept primarily for subsistence purposes; and liens ordinarily will not be taken on undivided interests in farm equipment or facilities owned jointly by the applicant and others who have no interest in the applicant's farming operation. Such liens will be subject to:

(i) The existing liens of the landlord, real estate mortgagee, or purchase contract holder on such property for amounts owed at the time the loan is approved, and for rent or installments on real estate which may become due in the future. Therefore, if such existing liens secure advances to be made or supplies to be furnished, the lienholder will be required to subordinate his lien for these purposes whether it exists by statute, lease, chattel mortgage, conditional sales contract, vendor's lien, land purchase contract, or other contract.

(ii) The existing liens of creditors other than those specified in subdivision (i) of this subparagraph.

(5) *Liens and assignments to protect the Government's interest in feed purchased or produced with loan funds.* Loans made to purchase or produce feed for livestock being fed for market or to be fed to productive livestock (excluding livestock and poultry kept primarily for subsistence purposes) will ordinarily be secured by first liens on such livestock. However, when a first lien cannot be obtained, the loan will be secured by liens or assignments as provided below:

(i) When the livestock will be owned by the applicant and a first lien cannot be obtained, a junior lien will be taken provided it is determined that the applicant has, or will acquire during the feeding period, an equity in the livestock being fed or will receive income from livestock or livestock products, either of which must be commensurate with the investment made for this purpose; and prior lien holders sign Form FHA–916, (Agreement—Special Livestock Loan), or similar form approved by the Attorney in Charge, agreeing to a suitable nondisturbance period and to a division of the income to be received from the livestock and livestock products, which will permit the applicant to pay his loan in accordance with the policies expressed herein. However, when no payment is expected to be made on the loan from the livestock or livestock products, Form FHA–916 will not be required.

(ii) When the livestock enterprise is to be managed by the applicant under a livestock share lease, share agreement, or contract, and the income to be received therefrom will be from the livestock fed, or from livestock products, an assignment of such income will be taken provided the owner or purchaser of the livestock or livestock products accepts in writing the assignment. The form for use in obtaining such assignments will be approved by the Attorney in Charge. However, when no payment is expected to be made on the loan from the livestock or livestock products, an assignment will not be required. When the borrower's compensation under the livestock share lease, share agreement, or contract is livestock increase, the applicant will be required to agree in writing at the time the loan is made to give a first lien on such increase as soon as an effective lien can be taken, unless an after-acquired property clause in an existing lien instrument will provide such a first lien.

(6) *Assignments of crop insurance.* Borrowers having insurance on cash crops from which payments may be received will be required to give written assignments to the Farmers Home Administration of the proceeds of such insurance. If such insurance is to be obtained at a later date, an agreement will be reached with the borrower to give an assignment when the insurance is obtained. However, an assignment is not required in cases where a crop insurance policy contains a standard mortgage clause naming the Farmers Home Administration as mortgagee.

(7) *Assignments of proceeds from sale of agricultural products.* When loans are made to finance dairy or commercial egg enterprises from which payments are expected, assignments will be taken on the milk or egg income to assist in obtaining regular payments as income is received whenever it is possible to obtain an agreement from the purchaser to honor the assignments. Assignments of proceeds from the sale of other agricultural products or agricultural income, including wool incentive payments, will be taken when necessary to protect the interest of the Government and can be obtained.

(8) *Severance agreements.* When operating loan funds are used to purchase or refinance debts on property which is or may become attached to real estate and it is necessary to sever such property from the real estate to meet the security requirements contained in subparagraph (3) of this paragraph, Form FHA–259, "Severance Agreement," will be obtained.

(9) *Real estate.* Real estate security will not be taken in connection with making initial operating loans. Furthermore, real estate security will not be taken in connection with making subsequent operating loans except in individual cases in which it appears that it may be necessary to rely on such security for payment of the loan. When such security is taken the provisions of § 371.2(b) of this chapter will apply.

(b) *Property insurance.* (1) Applicants obtaining operating loans should be encouraged to carry insurance on their livestock, equipment, feed, seed, and other property necessary to afford them adequate protection against substantial losses from the common hazards existing in an area such as fire, lightning, and wind; and loan approval officials may require individual borrowers to obtain suitable insurance as provided in Form FHA–30..., "Crop and Chattel Mortgage," as a prerequisite to loan approval when such action is deemed necessary. Such insurance may be obtained from any insurance company properly authorized to do business in the area.

(2) When insurance is required as a loan approval condition on property serving as security for an operating loan, a mortgage clause will be attached to or printed in the policy in accordance with the principles outlined in § 306.2(f) of this chapter.

(c) Subordination agreements will be required where necessary to protect the Government's interests because of prior rights of other parties under State statutes, leases, land purchase contracts, or real estate mortgages.

(d) Lien searches will be obtained in accordance with the provisions of Part 342 of this chapter to determine that the Government will have the required security.

§ 341.11 Land tenure.

Applicants will be required to make satisfactory arrangements for the use of sufficient land of the quality necessary for carrying on an approved system of farming on a sound and practical basis. The tenure policies set forth below will be followed by Farmers Home Administration officials in the making and approving of loans.

(a) *Tenant operators.* (1) Before a loan is made, the tenant, the landlord, and the County Supervisors must understand the terms and conditions of the tenure arrangements, including how the farm will be operated, the manner in which the planned adjustments and improvements will be financed, the distribution of income and expenses and other conributions by the tenant or the landlord, the agreement on any pertinent long-time aspects of the case, and any other factors affecting the tenure relationship.

(2) Ordinarily, loans will not be made unless the applicant obtains a satisfactory written lease. However, when for good reason an applicant cannot obtain a written lease on part or all of the land he expects to operate, the loan may be approved, provided the County Supervisor determines that the understanding existing between the tenant and landlord is definite and the rental terms are satisfactory, the lack of a written lease will not likely jeopardize the applicant's farming operations, and the loan docket clearly reflects the rental arrangements made with respect to each tract of land.

(b) *Owner-operators.* Before loans are made to owner-operators, the terms existing with respect to any real estate indebtedness owing will be ascertained and a determination will be made as to whether the applicant's proposed farming operations will enable him to meet the required payments on the real estate indebtedness as well as being sound in other respects, and whether the applicant will have reasonably secure tenure on the farm under the terms of the real estate mortgage or purchase contract.

§ 341.12 Loan approval.

State Directors are hereby authorized to approve loans to eligible applicants subject to applicable policies and provisions contained in this subpart and Part 342 of this chapter, provided no loan may be approved which will result in the applicant's becoming indebted in excess of $15,000 principal for loans made under Title II of the Bankhead-Jones Farm Tenant Act, as amended. A loan which results in an applicant's total principal indebtedness under this title exceeding $15,000, but not exceeding $20,000, may also be approved by the State Director after prior review by the National Office. In order to provide for any unforeseen need for credit and to protect the Government's interest, ordinarily, it is necessary for a reasonable margin to be maintained between the maximum indebtedness limitation and the amount loaned to an applicant.

(a) State Directors are authorized to redelegate, and to restrict or revoke such redelegations, to qualified State Office employees, County Supervisors, and GS–7 Assistant County Supervisors, authority to approve loans provided that County Supervisors and GS–7 Assistant County Supervisors may not be authorized to approve loans which will result in an applicant's becoming indebted in excess of $10,000 principal for loans made under Title II of the Bankhead-Jones Farm Tenant Act, as amended, and for emergency loans.

Dated: October 8, 1959.

H. C. SMITH,
Acting Administrator,
Farmers Home Administration.

[F.R. Doc. 59–8726; Filed, Oct. 15, 1959; 8:46 a.m.]

[FHA Instruction 441.3]

PART 342—OPERATING LOAN PROCESSING

Miscellaneous Amendments

1. Section 342.3 *Loan forms and routines,* in Title 6, Code of Federal Regulations (22 F.R. 22), is hereby amended as follows:

a. Revise paragraphs (e) and (g) and to add a new paragraph (p) as follows:

(e) *Appraisal of property.* (1) The following information will be recorded concerning each secured or unsecured debt to be refinanced under the provision of § 341.7(a)(11) of this chapter: (i) The name of the applicant; (ii) the name of the lienholder if any; (iii) the amount owing on the debt; (iv) a description of each item of property on which the indebtedness is owed and the market value of each; (v) the total value of all property on which the indebtedness is owed; and (vi) the name and title of the person making the report.

(2) When unsecured debts are to be refinanced, the applicant will be required to sign a statement showing that the debt for which refinancing was requested was incurred to acquire the livestock or farm equipment described therein.

* * * * *

(g) *Form FHA–31, "Promissory Note."* The amount of each loan and the scheduled payments thereon will be in multiples of $10. Not more than four payments on a single note will be scheduled for any year. The time limitations for payment schedules prescribed in § 341.9 of this Chapter run from the date of the loan check instead of from the date of the note. Form FHA–31 will be dated as of the date of execution by the applicant. The applicant's spouse will be required to execute the Form FHA–31 when: (1) legally required by State law; or (2) the loan approval official determines that the signature is needed because of the spouse's interest in the farm being operated or in property offered as security; or (3) it is determined by the State Director, on a State basis, that the spouse's signature will be required.

* * * * *

(p) *Form FHA–259, "Severance Agreement."* When severance agreements are required in accordance with § 341.10 (a)(8) of this chapter, Form FHA–259 will be executed by the borrower and all lienholders (including the Farmers Home Administration if a real estate lienholder) except those holding liens for real or personal property taxes, and by the owner if the borrower holds under a purchase contract. If a lease is involved, only the borrower and the owner will execute the agreement. The State Director will specify, on a State basis, the situations in which such agreements will be obtained in order to comply with Farmers Home Administration security policy, whether any other parties should be required to execute the agreement, and whether filing or recording is necessary. Such agreements will be executed no later than the date on which the property purchased with loan funds is delivered to the farm, or prior to the release of the loan funds to the creditors if refinancing of debts on such property is involved.

b. In the second sentence of the introductory statement of § 342.3(o) of this chapter (22 F.R. 23), reference to "§ 341.12(c) of this subchapter" is hereby changed to "§ 341.8(c) of this chapter".

2. The citation of authorities appearing after the table of contents for Part 342 of this chapter (22 F.R. 22) is hereby amended to read as follows:

AUTHORITY: §§ 342.1 to 342.7 issued under secs. 21, 41, 42, 44, 48, 50 Stat. 524, as amended, 528, as amended, 529, as amended, 530, as amended, 531, as amended, sec. 1, 63 Stat. 407, sec. 1311, 68 Stat. 830; 7 U.S.C. 1007, 1015, 1016, 1018, 1022, 31 U.S.C. 712a, 200. Order of Acting Sec. of Agr., 19 F.R. 74, 77, 22 F.R. 8188.

Dated: October 8, 1959.

H. C. SMITH,
Acting Administrator,
Farmers Home Administration.

[F.R. Doc. 59–8727; Filed, Oct. 15, 1959; 8:46 a.m.]

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER D—REGULATIONS UNDER SOIL BANK ACT

[Amdt. 1]

PART 485—SOIL BANK

Subpart—Conservation Reserve Program for 1960

CONSERVATION RESERVE CONTRACT

Section 485.510(b) of the regulations governing the Conservation Reserve Program for 1960, 24 F.R. 7987, is amended by changing the numeral "15" to "10" in the first and third sentences.

(Sec. 124, 70 Stat. 198; 7 U.S.C. 1812)

Issued at Washington, D.C., this 12th day of October 1959.

WALTER C. BERGER,
Administrator,
Commodity Stabilization Service.

[F.R. Doc. 59–8749; Filed, Oct. 15, 1959; 8:48 a.m.]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Post Office Department

Effective upon publication in the FEDERAL REGISTER, paragraph (d)(1) of § 6.309 is revoked.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] WM. C. HULL,
Executive Assistant.

[F.R. Doc. 59–8729; Filed, Oct. 15, 1959; 8:46 a.m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of the Interior

Effective upon publication in the FEDERAL REGISTER, paragraph (1)(12) of § 6.310 is revoked.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] WM. C. HULL,
Executive Assistant.

[F.R. Doc. 59–8728; Filed, Oct. 15, 1959; 8:46 a.m.]

Title 7—AGRICULTURE

Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture

PART 722—COTTON

Proclamation Relating to National Marketing Quota and National Allotment for 1960 Crop of Upland Cotton

Sec.
722.301 Basis and purpose.
722.302 Findings and determinations with respect to a national marketing quota for the 1960 crop of cotton.
722.303 Determination of a national allotment for the 1960 crop of cotton.

AUTHORITY: §§ 722.301 to 722.303 issued under sec. 375, 52 Stat. 66, as amended; 7 U.S.C. 1375. Interpret or apply secs. 301, 342, 344, 52 Stat. 38, as amended; 63 Stat. 670, as amended; 7 U.S.C. 1301, 1342, 1344.

§ 722.301 Basis and purpose.

(a) This proclamation is issued to announce findings made by the Secretary of Agriculture with respect to the total supply and the normal supply of upland cotton for the marketing year beginning August 1, 1959, and to proclaim whether, upon the basis of such findings, a national marketing quota and a national allotment for the 1960 crop of upland cotton are required under the provisions of the Agricultural Adjustment Act of 1938, as amended (referred to herein as the "act"). The term "upland cotton" (referred to herein as "cotton") and the data appearing in §§ 722.302 and 722.303 do not include extra long staple cotton described in section 347(a) of the act or similar types of such cotton which are imported. Section 342 of the act provides, in part, that, whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. Whenever a national marketing quota is proclaimed, the Secretary is required by section 344(a) of the act to determine and proclaim a national allotment for the crop of cotton to be produced in the next calendar year. The act further provides that the proclamation with respect to a national marketing quota shall be made not later than October 15 of the calendar year in which the determinations relating thereto are made.

(b) The terms "total supply", "carryover", and "normal supply", as they relate to cotton, are defined in section 301 of the act as follows:

"Total supply" of cotton for any marketing year shall be the carryover at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.

"Carryover" of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current.

"Normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carryover.

(c) The findings and determinations made by the Secretary are contained in §§ 722.302 and 722.303 and have been made on the basis of the latest available statistics of the Federal Government. Prior to making such findings and determinations, notice was published in the FEDERAL REGISTER on September 12, 1959 (24 F.R. 7382), in accordance with section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003), that the Secretary was preparing to examine the supply situation with respect to cotton to determine if quotas were required under the act and that any interested person might express his views in writing with respect thereto, postmarked not later than 15 days from the date of publication of the notice, which was September 12, 1959. All written expressions submitted pursuant to such notice have been duly considered in connection with making the findings and determinations.

§ 722.302 Findings and determinations with respect to a national marketing quota for the 1960 crop of cotton.

(a) *Total supply.* The total supply of cotton for the marketing year beginning August 1, 1959 (in terms of running bales or the equivalent), is 23,154,000 bales, consisting of (1) a carryover on August 1, 1959, of 8,611,000 bales, (2) estimated production from the 1959 crop of 14,483,000 bales, and (3) estimated imports into the United States during the marketing year beginning August 1, 1959, of 60,000 bales.

(b) *Normal supply.* The normal supply of cotton for the marketing year beginning August 1, 1959 (in terms of running bales or the equivalent), is 18,720,000 bales, consisting of (1) estimated domestic consumption for the marketing year beginning August 1, 1959, of 8,900,000 bales, (2) estimated exports during the marketing year beginning August 1, 1959, of 5,500,000 bales, and (3) 30 percent of the sum of subparagraphs (1) and (2) of this paragraph as an allowance for carryover, or 4,320,000 bales.

(c) *National marketing quota.* It is hereby determined and proclaimed that the total supply of cotton for the marketing year beginning August 1, 1959, will exceed the normal supply of cotton for such marketing year. Therefore, a national marketing quota shall be in effect for the crop of cotton produced in the calendar year 1960. It is further determined and proclaimed that the amount of the national marketing quota for the 1960 crop of cotton shall be 13,133,000 bales (standard bales of 500 pounds gross weight). The amount of such quota has been determined under section 342 of the act which, in effect, provides that the 1960 quota shall be the larger of the following:

(1) The number of bales of cotton (standard bales of 500 pounds gross weight) adequate, together with (i) the estimated carryover at the beginning of the 1960–61 marketing year and (ii) the estimated imports during the 1960–61 marketing year, to make available a normal supply of cotton. The number of bales of cotton determined under this provision is 9,256,000 bales.

(2) The number of bales of cotton required to provide a national allotment of 16,000,000 acres for the 1960 crop of cotton. The number of bales of cotton (standard bales of 500 pounds gross weight) determined under this provision on the basis of the national average yield per acre of cotton for the 4 years immediately preceding the calendar year in which the national marketing quota is proclaimed, is 13,133,000 bales.

§ 722.303 Determination of national allotment for the 1960 crop of cotton.

It is hereby further determined and proclaimed that a national allotment shall be in effect for the crop of cotton produced in the calendar year 1960. The amount of such national allotment shall be 16,000,000 acres. The amount of such national allotment has been determined under section 342 of the act, which provides that the national marketing quota for cotton for 1960 shall be not less than the number of bales required to provide a national allotment for cotton for 1960 of 16,000,000 acres. The apportionment of the 1960 national allotment to the States will be included in the acreage allotment regulations for the 1960 crop of upland cotton. The regulations will also establish the additional allotment which each State will receive from the 310,000-acre national reserve under section 344(b) of the act.

Done at Washington, D.C., this 14th day of October 1959.

TRUE D. MORSE,
Acting Secretary.

[F.R. Doc. 59-8771; Filed, Oct. 14, 1959; 4:38 p.m.]

PART 722—COTTON

Proclamation Relating to National Marketing Quota and National Allotment for 1960 Crop of Extra Long Staple Cotton

Sec.
722.351 Basis and purpose.
722.352 Findings and determinations with respect to a national marketing quota for the 1960 crop of extra long staple cotton.
722.353 Determination of a national allotment for the 1960 crop of extra long staple cotton.

AUTHORITY: §§ 722.351 to 722.353 issued under sec. 375, 52 Stat. 66, as amended; 7 U.S.C. 1375. Interpret or apply secs. 301, 344, 347, 52 Stat. 38, as amended; 63 Stat. 670, as amended; 63 Stat. 675, as amended; 7 U.S.C. 1301, 1344, 1347.

§ 722.351 Basis and purpose.

(a) This proclamation is issued to announce findings made by the Secretary of Agriculture with respect to the total supply and the normal supply of extra long staple cotton for the marketing year beginning August 1, 1959, and to proclaim whether, upon the basis of such findings, a national marketing quota and a national allotment for the 1960 crop of extra long staple cotton are required under the provisions of the Agricultural Adjustment Act of 1938, as amended (referred to herein as the "act") including an amendment under Public Law 86-341 (73 Stat. 611, approved September 21, 1959).

(b) The term "extra long staple cotton", as used in § 722.352 (a) and (b), means the kinds of cotton described in section 347(a) of the act, including American-Egyptian cotton, Sea Island cotton in both the continental United States and Puerto Rico, and Sealand cotton, and all imports of similar type cotton produced in Egypt and Peru. The term "extra long staple cotton", as used in §§ 722.352(c) and 722.353, means the kinds of cotton described in section 347 (a) of the act. The term "carryover" as used herein does not include Commodity Credit Corporation and General Services Administration stocks of extra long staple cotton which were acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stockpiling Act. Section 347(c) of the act provides that, with certain exceptions, all provisions of the act shall, insofar as applicable, apply to marketing quotas and acreage allotments for extra long staple cotton.

(c) The terms "total supply", "carryover", and "normal supply", as they relate to cotton, are defined in section 301 of the act as follows:

"Total supply" of cotton for any marketing year shall be the carryover at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.

"Carryover" of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current.

"Normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carryover.

(d) Section 347(b) of the act provides that whenever during any calendar year, not later than October 15, the Secretary of Agriculture determines that the total supply of extra long staple cotton for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year. Whenever a national marketing quota is proclaimed under the act, the Secretary is also required to determine and proclaim a national allotment for the crop to be produced in the next calendar year.

(e) The findings and determinations made by the Secretary are contained in §§ 722.352 and 722.353 and have been made on the basis of the latest available statistics of the Federal Government. Prior to making such findings and determinations, notice was published in the FEDERAL REGISTER (24 F.R. 7900) in accordance with section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003) that the Secretary was preparing to examine the supply situation with respect to extra long staple cotton to determine if quotas were required under the act and that any interested person might express his views in writing with respect thereto, postmarked not later than 10 days from the date of publication of such notice, which was October 1, 1959. All written expressions submitted pursuant to such notice have been duly considered in connection with making the findings and determinations.

§ 722.352 Findings and determinations with respect to a national marketing quota for the 1960 crop of extra long staple cotton.

(a) *Total supply.* The total supply of extra long staple cotton for the marketing year beginning August 1, 1959 (in terms of running bales or the equivalent) is 265,300 bales, consisting of (1) a carryover on August 1, 1959, of 106,300 bales, (2) estimated production from the 1959 crop of 73,400 bales, and (3) estimated imports into the United States during the marketing year beginning August 1, 1959, of 85,600 bales.

(b) *Normal supply.* The normal supply of extra long staple cotton for the marketing year beginning August 1, 1959 (in terms of running bales or the equivalent) is 156,000 bales, consisting of (1) estimated domestic consumption for the marketing year beginning August 1, 1959, of 115,000 bales, (2) estimated exports during the marketing year beginning August 1, 1959, of 5,000 bales, and (3) 30 percent of the sum of subparagraphs (1) and (2) of this paragraph as an allowance for carryover, or 36,000 bales.

(c) *National marketing quota.* It is hereby determined and proclaimed that the total supply of extra long staple cotton for the marketing year beginning August 1, 1959, will exceed the normal supply of such cotton for such marketing year by more than 8 per centum. Therefore, a national marketing quota shall be in effect for the crop of extra long staple cotton produced in the calendar year 1960. It is further determined and proclaimed that the amount of the national marketing quota for the 1960 crop of extra long staple cotton shall be 66,590 bales of cotton (standard bales of 500 pounds gross weight). The amount of the national marketing quota as proclaimed has been determined in accordance with section 347(b) of the act as amended by Public Law 86-341 (73 Stat. 611, approved September 21, 1959), which provides that the national marketing quota for the 1960 crop of extra long staple cotton cannot be less than the larger of (1) 30,000 bales, (2) the number of bales equal to 30 per centum of the estimated domestic consumption plus exports of extra long staple cotton for the marketing year beginning in the calendar year in which such quota is proclaimed, or (3) 90 per centum of the 1959 marketing quota for extra long staple cotton.

§ 722.353 Determination of national allotment for the 1960 crop of extra long staple cotton.

It is hereby determined and proclaimed that the national allotment for the 1960 crop of extra long staple cotton shall be 64,776 acres. The amount of such national allotment has been determined under section 344(a) of the act, which provides that the national allotment shall be that acreage, based upon the national average yield per acre of cotton for the four years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota. The apportionment of the 1960 national allotment to States will be included in the acreage allotment regulations for the 1960 crop of extra long staple cotton.

Done at Washington, D.C., this 14th day of October 1959.

TRUE D. MORSE,
Acting Secretary.

[F.R. Doc. 59-8772; Filed, Oct. 14, 1959; 4:38 p.m.]

Chapter VIII—Commodity Stabilization Service (Sugar), Department of Agriculture

[Sugar Determination 864.7]

PART 864—WAGES; SUGARCANE; LOUISIANA

Fair and Reasonable Wage Rates

Pursuant to the provisions of section 301(c)(1) of the Sugar Act of 1948, as amended (herein referred to as "act"), after investigation and consideration of the evidence obtained at the public hearing held in Thibodaux, Louisiana, on July 30, 1959, the following determination is hereby issued:

§ 864.7 Fair and reasonable wage rates for persons employed in the production, cultivation or harvesting of sugarcane in Louisiana.

(a) *Requirements.* A producer of sugarcane in Louisiana shall be deemed to have complied with the wage provisions of the act if all persons employed on the farm in production, cultivation or harvesting work shall have been paid in accordance with the following:

(1) *Wage rates.* All such persons shall have been paid in full for all such work and shall have been paid wages in cash therefor at rates as agreed upon between the producer and the worker, but not less than the rates specified below.

(i) *For work performed on a time or piecework basis.*

Class of Worker or Operation	Rate per hour
Harvest work:	
Cutters, toppers, strippers, and scrappers behind loaders	$0.65
Loaders, spotters, ropemen, grabmen, and teamsters	.70
Cutters and loaders, pilers, and hoist operators	.65
Tractor drivers, truck drivers, and harvester bottom blade operators	.75
Operators of mechanical loading or harvesting equipment	.80
All other harvesting workers	.60

	Rate per ton
Cutting top and bottom:	
Large barrel varieties [1]	$1.10
Small barrel varieties [2]	1.30

	Rate per hour
Production and cultivation work:	
Tractor drivers	$0.65
All other production and cultivation workers	.55

[1] Large barrel varieties: Co. 290; C.P. 29/103; C.P. 29/116; C.P. 32/243; C.P. 36/13; C.P. 36/105; C.P. 29/120; C.P. 43/47; C.P. 44/101; C.P. 44/155; N. Co. 310; C.P. 47/193; C.P. 48/103; and C.P. 52/68.

[2] Small barrel varieties: All other.

(ii) *Workers between 14 and 16 years of age when employed on a time basis.* For workers between 14 and 16 years of age, the wage rate per hour (maximum employment is 8 hours per day for such workers without deduction from Sugar Act payments to the producer) shall be not less than three-fourths of the applicable hourly wage rates for adults provided under subdivision (i) of this subparagraph.

(iii) *Other piecework rates.* For any piecework performed on a unit basis for which a rate is not specified in subdivision (i) of this subparagraph, the rate shall be as agreed upon between the producer and worker: *Provided,* That the hourly rate of earnings of each worker employed on piecework during each pay period (such pay period not to be in excess of two weeks), shall average for the time worked at piecework rates during such pay period not less than the applicable hourly rate prescribed in subdivisions (i) and (ii) of this subparagraph.

(2) *Compensable working time.* For work performed under subparagraph (1) of this paragraph, compensable working time includes all time which the worker spends in the performance of his duties except time taken out for meals during the workday. Compensable working time commences at the time the worker is required to start work and ends upon completion of work in the field. However, if the producer requires the operator of mechanical equipment, driver of animals, or any other class of worker to report to a place other than the field, such as an assembly point or a tractor shed, located on the farm, the time spent in transit from such place to the field and from the field to such place is compensable working time. Any time spent in performing work directly related to the principal work performed by the worker, such as servicing equipment, is compensable working time. Time of the worker while being transported from a central recruiting point or labor camp to an assembly point located on the farm, or from a central recruiting point to the field, is not compensable working time.

(3) *Equipment necessary to perform work assignment.* The producer shall furnish without cost to the worker any equipment required in the performance of any work assignment. However, the worker may be charged for the cost of such equipment in the event of its loss or destruction through negligence of the worker. Equipment includes, but is not limited to hand and mechanical tools and special wearing apparel, such as boots and raincoats, required to discharge the work assignment.

(b) *Applicability.* The requirements of this section are applicable to all persons employed on the farm, except as provided in paragraph (c) of this section, in the production, cultivation, or harvesting of sugarcane grown on the farm for the extraction of sugar or liquid sugar: *Provided,* That such requirements shall not apply to any person engaged in such work with respect to sugarcane grown on acreage in excess of the proportionate share for the farm, which is marketed (or processed) for the production of sugar or liquid sugar for livestock feed or for the production of livestock feed, if the producer furnishes to the appropriate Agricultural Stabilization and Conservation County Committee acceptable and adequate proof which satisfies the Committee that the work performed was related solely to such sugarcane.

(c) *Workers not covered.* The requirements of this section are not applicable to workers performing services which are indirectly connected with the production, cultivation, or harvesting of sugarcane, including but not limited to mechanics, welders, and other maintenance workers and repairmen.

(d) *Proof of compliance.* The producer shall furnish, upon request, to the appropriate Agricultural Stabilization and Conservation County Committee acceptable and adequate proof which satisfies the Committee that all workers have been paid in accordance with the requirements of this section.

(e) *Subterfuge.* The producer shall not reduce the wage rates to workers below those determined in accordance with the requirements in this section through any subterfuge or device whatsoever.

(f) *Claim for unpaid wages.* Any person who believes he has not been paid in accordance with this section may file a wage claim with the local County Agricultural Stabilization and Conservation Office against the producer on whose farm the work was performed. Detailed instructions and wage claim forms are available at that office. Such claim must be filed within two years from the date the work with respect to which the claim is made was performed. Upon receipt of a wage claim the County office shall thereupon notify the producer against whom the claim is made concerning the representation made by the worker. The County ASC office shall conduct such investigation as it deems necessary. The producer and worker shall be notified in writing of the recommendation of the County ASC Committee for settlement of the claim. If either party is not satisfied with the recommended settlement, an appeal may be made to the State Agricultural Stabilization and Conservation Office, 1517 Sixth Street, Alexandria, Louisiana, which shall likewise consider the facts. The producer and worker shall be notified in writing of the recommendation of the State ASC Committee for settlement of the claim. If the recommendation of the State ASC Committee is not acceptable, either party may file an appeal with the Director of the Sugar Division, Commodity Stabilization Service, U.S. Department of Agriculture, Washington 25, D.C. All such appeals shall be filed within 15 days after receipt of the recommended settlement from the respective committee, otherwise such recommended settlement will be applied in making payments under the act. If a claim is appealed to the Director of the Sugar Division, his decision shall be binding on all parties insofar as payments under the act are concerned.

(g) *Effective period.* The provisions of this section applicable to harvest work shall become effective on the date of publication of this section in the FEDERAL REGISTER and the provision for production and cultivation work shall become effective on January 1, 1960, and the provisions of this section shall remain in effect until amended, superseded, or terminated.

STATEMENT OF BASES AND CONSIDERATIONS

(a) *General.* The foregoing determination establishes fair and reasonable wage rates to be paid for work performed by persons employed on the farm in the production, cultivation, or harvesting of sugarcane in Louisiana as one of the conditions with which producers must comply to be eligible for payments under the act.

(b) *Requirements of the act and standards employed.* Section 301(c)(1) of the act requires that all persons employed on the farm in the production, cultivation, or harvesting of sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended (i.e., cost of living, prices of sugar and by-products, income from sugarcane, and cost of production), and the differences in conditions among various producing areas.

(c) *Wage determination.* The requirements of this determination are the same as those of the prior determination, except that (1) time rates for all classes of work or operation are increased 5 cents per hour; (2) the determination will remain in effect until amended, superseded, or terminated; (3) two classes of work having the same rate

have been combined; and (4) an additional variety of sugarcane has been added to the large barrel category for piecework rate purposes.

A public hearing was held in Thibodaux, Louisiana, on July 30, 1959, at which interested persons were afforded the opportunity to testify with respect to fair and reasonble wage rates for work performed during the 1959 harvest season and for production and cultivation work during the calendar year 1960. Testimony was presented by an economist of the Louisiana State University appearing at the request of the American Sugarcane League; by the Chairman of the Labor Committee of the American Sugarcane League; and by the Chairman of the Louisiana Farm Bureau Federation Sugar Advisory Committee. No testimony was presented on behalf of sugarcane field workers.

The economist from the Louisiana State University presented the most recent costs and returns data available from studies of Louisiana sugarcane farms which have been conducted annually since 1937. He stated that for large-scale farms labor costs accounted for approximately 48 percent of total direct costs for the period 1955–57 and that net operating income during that period averaged 88 cents per ton of sugarcane. Labor costs on family-type farms were about 39 percent of total direct costs. However, this percentage does not include labor used in custom harvesting on these farms. Net operating income for the family-type farms amounted to 52 cents per ton of sugarcane, exclusive of the value of farm privileges, for the period 1955–57.

The Chairman of the Labor Committee of the American Sugar Cane League recommended an increase of 5 cents per hour in minimum time rates for each classification of workers; the continuation of piecework rates at the levels established for harvesting 1958 crop sugarcane; the inclusion of a new variety of cane in the "large barrel" category for piecework rate purposes; and, the combination of two classes of work for which the rate is the same. He stated that the Committee was of the opinion that with the right recognized of all interested parties to request a reopening of the question of wages through the customary investigations and public hearings, a "continuing" determination for Louisiana is desirable.

The representative of the Sugar Advisory Committtee of the Louisiana Farm Bureau Federation recommended that there be no increase in wage rates. The witness stated that on the basis of cost studies by the Louisiana State University there was no indication of producers' ability to grant further wage increases; that any increase in wage rates at this time would hasten the further consolidation of farms and bring about more rapid corporate farm operations, resulting in greater mechanization and displacement of labor; and that the Committee would not object to a continuing determination.

Consideration has been given to the recommendations presented at the hearing, to the returns, costs, and profits of sugarcane producers obtained by survey for recent prior years and recast in terms of prospective price and production conditions for the current year, and to other pertinent factors.

The minimum wage rates established in this determination are the same as those recommended by the Labor Committee of the American Sugar Cane League. Analysis of pertinent data indicates that as a result of the larger volume of operations stemming from the removal of acreage restrictions and continuing gains in labor productivity on the farms, the increase in time wage rates provided in the determination is within producers' ability to pay. During recent years many producers have paid wage rates in excess of the minimums established by the wage determinations. The prevailing wage rates paid production, cultivation, and harvesting workers in 1958 averaged about 8 percent above the determination rates.

The worker classification of teamsters has been combined with loaders, spotters, ropemen, and grabmen. Inasmuch as the work of teamsters constitutes only a minor portion of the average man-hour inputs for harvesting sugarcane and since the wage rate for all of the workers affected is the same, the consolidation will effect a further simplification of the wage schedule.

Although this determination is on a continuing basis the Department, in order to keep informed of current conditions in the area, will conduct the customary investigations, and analyze pertinent data and will afford interested persons the opportunity to present testimony at a hearing to be held annually.

After consideration of all the factors this determination is deemed to be fair and reasonable.

Accordingly, I hereby find and conclude that the foregoing wage determination will effectuate the wage provisions of the Sugar Act of 1948, as amended.

(Sec. 403, 61 Stat. 932; 7 U.S.C. 1153. Interprets or applies sec. 301, Stat. 929, as amended; 7 U.S.C. 1131)

Issued this 13th day of October 1959.

TRUE D. MORSE,
Acting Secretary of Agriculture.

[F.R. Doc. 59-8750; Filed, Oct. 15, 1959; 8:48 a.m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

PART 938—IRISH POTATOES GROWN IN THE RED RIVER VALLEY OF NORTH DAKOTA AND MINNESOTA

Subpart—Exemption Certificates and Safeguards

SAFEGUARDS

Notice of rule making regarding a proposed revision of the current rules and regulations for the establishment of safeguards (Subpart—Exemption Certificates and Safeguards; 7 CFR 938.120 to 938.123), to be made effective under Marketing Agreement No. 135, and Order No. 38 (7 CFR Part 938), regulating the handling of Irish potatoes grown in the Red River Valley of North Dakota and Minnesota (the counties of Pembina, Walsh, Cavalier, Towner, Grand Forks, Nelson, Steele, Traill, Cass, Richland, and Ramsey of the State of North Dakota; and Kittson, Marshall, Red Lake, Pennington, Polk, Norman, Mahnomen, Wilken, Otter Tail, Becker, and Clay of the State of Minnesota), was published in the FEDERAL REGISTER September 24, 1959 (24 F.R. 7702). This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The notice afforded interested persons an opportunity to file data, views, or arguments pertaining thereto not later than 15 days after publication in the FEDERAL REGISTER. None was filed.

After consideration of all relevant matters, including the proposals set forth in the aforesaid notice which were recommended by Red River Valley Potato Committee, established pursuant to the aforesaid marketing agreement and order, the rules and regulations for the establishment of safeguards (Subpart—Exemption Certificates and Safeguards; §§ 938.120 to 938.123) are hereby revised to read as follows:

SAFEGUARDS

§ 938.120 General.

Whenever shipments of potatoes for special purposes pursuant to § 938.54 are relieved in whole or in part from grade and size regulations issued under § 938.52 the committee shall require information and evidence as to the manner, methods, and timing of such shipments as safeguards against the entry of any such potatoes into trade channels other than those for which intended. Such information and evidence shall include the requirements set forth below with respect to Certificates of Privilege.

§ 938.121 Qualification.

Before handling potatoes for special purposes which do not meet regulations issued pursuant to § 938.52 a handler must qualify with the committee to handle shipments for special purposes. To qualify he must (a) apply for and receive a Certificate of Privilege indicating his intent to so handle potatoes; (b) agree to comply with reporting and other requirements set forth in §§ 938.121 to 938.125, inclusive, with respect to such shipments; and (c) receive approval of the committee, or its duly authorized agents, to so handle potatoes. Such approval will be based upon evidence furnished in his application for a Certificate of Privilege, and other information available to the committee.

§ 938.122 Application.

(a) Application for Certificate of Privilege shall be made on forms furnished by the committee. Each application may contain, but need not be limited to, the name and address of the handler; the quantity by grade, size, quality and variety of the potatoes to be shipped; the mode of transportation; the consignee; the destination; the purpose for which the potatoes are to be used; a

certification to the United States Department of Agriculture and to the committee as to the truthfulness of the information shown thereon; and any other appropriate information or documents deemed necessary by the committee or its duly authorized agents for the purposes stated in § 938.120.

(b) The committee may require each handler making shipments of potatoes for export to include with his application a copy of the Department of Commerce Shippers Export Declaration Form No. 7525–V applicable to such shipment.

§ 938.123 Approval.

The committee or its duly authorized agents shall give prompt consideration to each application for a Certificate of Privilege. Approval of an application, based upon a determination as to whether the information contained therein and other information available to the committee supports approval, shall be evidenced by the issuance of a Certificate of Privilege to the applicant. Each certificate shall cover a specified period, and specified qualities and quantities of potatoes to be sold or transported to the designated consignee for the purposes declared.

§ 938.124 Reports.

Each handler of potatoes shipping under Certificates of Privilege shall supply the committee with reports as requested by the committee or its duly authorized agents showing the name and address of the shipper; the car or truck identification; the loading point; destination; consignee; the inspection certificate number when inspection is required; and any other information deemed necessary by the committee.

§ 938.125 Disqualification.

The committee from time to time may conduct surveys of handling of potatoes for special purposes requiring Certificates of Privilege to determine whether handlers are complying with the requirements and regulations applicable to such certificates. Whenever the committee finds that a handler or consignee is failing to comply with requirements and regulations applicable to handling of potatoes in special outlets, and requiring such certificates, a Certificate or Certificates of Privilege issued such handler may be rescinded and further certificates denied. Such disqualification shall apply to, and not exceed, a reasonable period of time as determined by the committee but in no event shall it extend beyond the end of the succeeding fiscal period. Any handler who has a certificate rescinded or denied may appeal to the committee in writing for reconsideration of his disqualification.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated, October 13, 1959, to become effective 30 days after publication in the FEDERAL REGISTER.

S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 59–8748; Filed, Oct. 15, 1959; 8:48 a.m.]

PART 989—RAISINS PRODUCED FROM RAISIN VARIETY GRAPES GROWN IN CALIFORNIA

Free, Reserve, and Surplus Percentages for 1959–60 Crop Year and List of Countries for Export Sale of Surplus Tonnage Through Handlers

Correction

In F.R. Doc. 59–8580, appearing at page 8253 of the issue of Saturday, October 10, 1959, the phrase "free towage", occurring in the introductory clause of § 989.213, should read "free tonnage."

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter II—Agricultural Marketing Service, Department of Agriculture

PART 201—REGULATIONS UNDER PACKERS AND STOCKYARDS ACT

Annual Reports

Pursuant to the authority vested in me under the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. 181 et seq.), § 201.97 of the regulations issued under said Act (9 CFR 201.97) is hereby amended to read as follows:

§ 201.97 Annual reports.

Every packer, stockyard owner, market agency, dealer (except a packer buyer registered to purchase livestock for slaughter only), and licensee shall file annually with the Branch a report on prescribed forms not later than April 15 following the calendar year end or, if the records are kept on a fiscal year basis, not later than 90 days after the close of his fiscal year. The Chief on good cause shown or on his own motion may waive the filing of such reports in particular cases.

The purpose of the amendment is to make the times for filing annual reports under the Packers and Stockyards Act more nearly conform to the times for the filing of related reports with other agencies. Heretofore, packers, stockyard owners, market agencies, dealers (except packer-buyers registered to purchase livestock for slaughter only) and licensees subject to the Act have been required to file annual reports not later than March 15 following the calendar year end or, if their records have been kept on a fiscal year basis, not later than 60 days after the close of the fiscal year. This amendment, therefore, relieves restrictions presently in effect and will be beneficial to the persons named in the regulation. Therefore, pursuant to section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure in connection with this amendment are unnecessary, and that this amendment may be made effective less than 30 days after its publication in the FEDERAL REGISTER.

This amendment shall become effective upon the date of its publication in the FEDERAL REGISTER.

(42 Stat. 159, as amended and supplemented; 7 U.S.C. 181 et seq.)

Done at Washington, D.C., this 13th day of October 1959.

ROY W. LENNARTSON,
Deputy Administrator, Agricultural Marketing Service.

[F.R. Doc. 59–8725; Filed, Oct. 15, 1959; 8:46 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. T]

PART 220—CREDIT BY BROKERS, DEALERS, AND MEMBERS OF NATIONAL SECURITIES EXCHANGES

Short Sales

§ 220.116 Short sales against "long" position in same security, executed prior to June 15, 1959, covered by subsequent purchase.

(a) The Board of Governors recently received an inquiry concerning the application of the amendments of this part, effective June 15, 1959, to short sales executed prior to June 15, 1959, and covered by purchase subsequent to that date, where the same securities had been held "long" in the account at the time of the short sales. Certain securities were held "long" in a margin account, at least since early 1958. Subsequently, at various times in 1958 and on January 13, 1959, short sales of this same stock were executed in the account. The total shares involved in the short sales did not exceed the shares held in the "long" position. It is now desired to close out the short position by covering purchases.

(b) The applicable provision of § 220.3 (g) reads as follows:

> For the purposes of this part (Regulation T), if a security has maximum loan value in the account under subparagraph (c) (1) of this section, a sale of the same security (even though not the same certificate) in the account shall be deemed to be a long sale and shall not be deemed to be or treated as a short sale.

Under this provision, a short sale at the present time against a "long" position in the same security must be treated as a "long" sale. The subsequent covering transaction would therefore be treated as any other regular purchase and could not be executed as a covering purchase requiring no further margin. However, where the short sale against the "long" position was executed prior to June 15, 1959, the effective date of the above noted amendment to § 220.3(g), the sale would not lose its character as a "short" sale. The covering transactions, even if effected after June 15, 1959, could be treated as such, and under the provisions of this part, could be completed without obtaining further margin.

(c) This interpretation is expressly limited to the facts presented. Any vari-

ation or addition to the circumstances might well alter the result.

(d) It is also noted that nothing in this part shall prevent an exchange or a creditor from "further restricting" or requiring "additional security" in the extension or maintenance of any credit.

(Sec. 23, 48 Stat. 901, as amended; 15 U.S.C. 78w)

[SEAL] MERRITT SHERMAN, *Secretary.*

[F.R. Doc. 59-8719; Filed, Oct. 15, 1959; 8:45 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 25—DRESSINGS FOR FOODS

French Dressing and Salad Dressing; Effective Date of Order Amending Standard of Identity

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 701, 52 Stat. 1055, as amended 70 Stat. 919; 21 U.S.C. 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (22 F.R. 1045, 23 F.R. 9500), notice is hereby given that no objections were filed to the order published in the FEDERAL REGISTER of August 19, 1959 (24 F.R. 6711), and the amendments promulgated by that order will become effective on October 18, 1959.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interprets or applies sec. 401, 52 Stat. 1046, as amended; 21 U.S.C. 341)

Dated: October 9, 1959.

[SEAL] GEO. P. LARRICK, *Commissioner of Food and Drugs.*

[F.R. Doc. 59-8735; Filed, Oct. 15, 1959; 8:47 a.m.]

PART 51—CANNED VEGETABLES; DEFINITIONS AND STANDARDS OF IDENTITY; QUALITY; AND FILL OF CONTAINER

Canned Peppers; Effective Date of Order Amending Standard of Identity

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 701, 52 Stat. 1055, as amended 70 Stat. 919; 21 U.S.C. 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (22 F.R. 1045, 23 F.R. 9500), notice is hereby given that no objections were filed to the order published in the FEDERAL REGISTER of August 27, 1959 (24 F.R. 6951), and the amendments promulgated by that order will become effective on October 26, 1959.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interprets or applies sec. 401, 52 Stat. 1046, as amended; 21 U.S.C. 341)

Dated: October 9, 1959.

[SEAL] GEO. P. LARRICK, *Commissioner of Food and Drugs.*

[F.R. Doc. 59-8736; Filed, Oct. 15, 1959; 8:47 a.m.]

Chapter II—Bureau of Narcotics, Department of the Treasury

PART 304—ADJUDICATION AND LICENSING PROCEDURE

Certain Drugs Having Addiction-Forming or Addiction-Sustaining Liability Similar to Morphine

CROSS REFERENCE: For order proclaiming and making effective the findings of the Secretary of the Treasury with regard to certain drugs having addiction-forming or addiction-sustaining liability similar to morphine, see Proclamation 3321, Title 3, Chapter I, *supra.*

Title 45—PUBLIC WELFARE

Chapter III—Bureau of Federal Credit Unions, Social Security Administration, Department of Health, Education, and Welfare

PART 301—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

Miscellaneous Amendments

Notice of proposed rule making, public procedures thereon, and delay in effective date in the issuance of the following amendments have been omitted because of the following findings and reasons:

Public Law 86-354, approved September 22, 1959, 73 Stat. 628, amended the Federal Credit Union Act (48 Stat. 1216; 12 U.S.C. secs. 1751-1772) by providing in section 8(5), with respect to the power of a Federal credit union to make loans to its members, that such loans may have maturities not exceeding five years instead of three years as under the former law, and by providing that such loans "shall be paid or amortized in accordance with rules and regulations prescribed by the Director * * * but such rules and regulations shall not require payments more frequently than annually." In addition, a new subsection, section 8(12), empowering a Federal credit union to sell to its members and to cash for its members certain checks and money orders for a fee not to exceed the direct and indirect costs, specifically provides for the exercise of this power "in accordance with rules and regulations prescribed by the Director * * *."

Prior to the approval of Public Law 86-354 there was not any rule or regulation of the Director applicable to the payment or amortization of loans made by Federal credit unions. The Director believes that it is necessary to fill this void as soon as possible in order to carry out the legislative intent and in order to permit the transition from three-year to five-year maximum maturities of loans to proceed with minimum confusion and risk.

With respect to the new power granted to Federal credit unions to sell and to cash checks and money orders, the Director is of the opinion that it involves elements of financial risk not otherwise present against which safeguards should be established before it is exercised by Federal credit unions, and that it should not be undertaken unless it has been determined that it will not interfere with the carrying out by a Federal credit union of its basic purpose of promoting thrift and providing a source of credit for provident and productive purposes.

Accordingly, the Director finds that immediately effective rules and regulations are essential for the guidance and protection of the more than 9,400 Federal credit unions and their members as they begin to operate under this new and expanded authority provided by Public Law 86-354, approved September 22, 1959. For these reasons and because these rules and regulations will permit Federal credit unions to take advantage of the provisions of the new legislation with the least likelihood of delay and subsequent disturbance to their operations, advance notice and procedure thereon is impracticable, unnecessary, and contrary to the public interest.

Part 301 is amended by adding the following three sections thereto:

AUTHORITY: § 301.21 issued under sec. 8(5), 73 Stat. 628, et seq.; §§ 301.22 and 301.23 issued under sec. 8(12), 73 Stat. 628, et seq.

§ 301.21 Payment or amortization of loans.

(a) Within the limits of the Federal Credit Union Act and such further limits as may be imposed by the board of directors pursuant to the Act and the bylaws, the credit committee, or a duly appointed and authorized loan officer, of a Federal credit union, in arriving at the terms of payment or amortization of an approved loan to a member, shall take into account, among other factors deemed relevant, the source of funds and the regularity and frequency of receipt of funds which the borrower proposes to utilize for the purpose, the borrower's other commitments and anticipated needs over the loan period, and the best interests of the credit union.

(b) Pursuant to the bylaws, the board of directors of a Federal credit union by resolution may require that all loans approved by the credit committee, or by a duly appointed and authorized loan officer, or that certain classes of such loans, shall provide for payment or amortization by periodic, substantially equal, payments of principal which are to be made at intervals shorter than 12 months and which are sufficient to retire the loan at its maturity.

(c) Subject to any limitations imposed by the board of directors as provided for by paragraphs (a) and (b) of this section, the credit committee, or a duly appointed and authorized loan

officer, may approve loans with maturities of one year or less which provide for retirement thereof by a single payment of the principal at maturity.

(d) (1) Subject to any limitations imposed by the board of directors as provided for in paragraphs (a) and (b) of this section, loans with maturities in excess of one year approved by the credit committee, or a duly appointed and authorized loan officer, shall provide for payment or amortization by periodic, substantially equal, payments of principal which are to be made at intervals of not greater than 12 months and which are sufficient in amount to retire such loans at maturity.

(2) Notwithstanding the provisions of subparagraph (1) of this paragraph, and subject to any limitations imposed by the board of directors as provided for by paragraphs (a) and (b) of this section, loans with maturities in excess of one year but not in excess of thirty months, may provide for retirement by a single payment of principal at maturity or by payments at intervals greater than 12 months where the credit committee finds that such terms are justified by the needs and condition of the borrower after taking into account, among other factors deemed relevant, his current commitments, the source or sources of the funds from which he plans and proposes to make such payment or payments, the regularity, frequency and reasonably predictable nature of the receipt of such funds, and the best interests of the credit union: *Provided,* That the payment or payments so provided for shall be scheduled to coincide with the anticipated receipt of the funds intended to be used therefor; and provided, that the findings of the credit committee shall be in writing signed by the chairman of the committee and retained in the borrower's loan file.

(e) All loans shall provide for the payment of interest with each payment of principal: *Provided, however,* That no loan shall provide for the payment of interest less frequently than at intervals of three months.

§ 301.22 Selling checks and money orders.

(a) A Federal credit union may undertake to sell negotiable checks (including travelers checks) and money orders to its members only, for a fee which does not exceed the direct and indirect costs incident to providing such service, when it is determined by the board of directors that the provision of such service will not have any adverse effect upon the accomplishment by the credit union of its basic purpose of promoting thrift among its members and of providing to them a source of credit for provident and productive purposes.

(b) A Federal credit union which undertakes to provide this service shall:

(1) Have adequat physical facilities to handle and safeguard the cash funds to be used in connection therewith;

(2) Establish and maintain effective internal controls for the handling of and accounting for the cash funds and fees to be received and charged in connection therewith;

(3) Establish and enforce reasonable rules covering the kinds of negotiable checks (including travelers checks) and money orders, and the maximum amounts thereof, that it will sell to members;

(4) Establish and enforce reasonable rules and procedures to assure that the service will be provided to members of the Federal credit union only, including the identification of any member who requests the service;

(5) Obtain, and maintain in force and effect, any additional surety bond and insurance coverage required thereby;

(6) Determine that the fee charged does not exceed the direct and indirect costs incident thereto.

(c) The board of directors of a Federal credit union which has undertaken to provide this service shall review its operation from time to time to make certain that it is not having any adverse effect upon the accomplishment by the credit union of its basic purpose, and that the requirements of paragraph (b) of this section are being fulfilled on a current basis. Controls, rules and procedures established pursuant to paragraph (b) of this section may be amended by the board of directors from time to time to provide new or increased safeguards against loss, and to meet the best interests of the credit union and its members.

(d) The fees or commissions which a Federal credit union may receive pursuant to a contract with a third party providing for the sale of negotiable checks (including travelers checks) and money orders furnished by the third party, shall be deemed to be not in excess of the direct and indirect costs incident to providing this service.

(e) No fee shall be charged by a Federal credit union to a member for a check drawn by it on its own bank account in connection with the withdrawal by the member from a share account, or in connection with the disbursement of the proceeds of a loan.

§ 301.23 Cashing checks and money orders.

(a) A Federal credit union may undertake to cash checks and money orders for its members only, for a fee which does not exceed the direct and indirect costs incident to providing such service, when it is determined by the board of directors that the provision of such service will not have any adverse effect upon the accomplishment by the credit union of its basic purpose of promoting thrift among its members and of providing to them a source of credit for provident and productive purposes.

(b) A Federal credit union which undertakes to provide this service shall:

(1) Have adequate physical facilities to handle and safeguard the cash funds to be used in connection therewith;

(2) Establish and maintain effective internal controls for the handling of and accounting for the cash funds to be used and the fees to be charged in connection therewith;

(3) Establish and enforce rules covering the kinds of checks and money orders, and the maximum amounts thereof, that will be cashed;

(4) Establish and enforce rules and procedures to assure that the service will be provided to members of the Federal credit union only, including the identification of any member who requests the service;

(5) Obtain, and maintain in force and effect, any additional surety bond and insurance coverage required thereby;

(6) Determine that the fee charged does not exceed the direct and indirect costs incident thereto.

(c) The board of directors of a Federal credit union which has undertaken to provide this service shall review its operation from time to time to make certain that it is not having any adverse effect upon the accomplishment by the credit union of its basic purpose, and that the requirements of paragraph (b) of this section are being fulfilled on a current basis. Controls, rules and procedures established pursuant to paragraph (b) of this section may be amended by the board of directors from time to time to provide new or increased safeguards against loss, and to meet the best interests of the credit union and its members.

(d) No fee shall be charged by a Federal credit union to a member as for the cashing of a check or money order when such check or money order is used in whole or in part for payment of a loan, payment of interest, payment of any other obligation to the credit union, or the purchase of shares. Nor shall any fee be charged to the member for the cashing of a check or money order drawn by the Federal credit union on its own bank account and issued to the member in connection with a withdrawal by the member from a share account, or in connection with the disbursement of a loan.

Effective date: These regulations shall become effective upon the date of publication in the FEDERAL REGISTER.

Dated: October 6, 1959.

[SEAL] J. DEANE GANNON,
Director,
Bureau of Federal Credit Unions.

Approved: October 7, 1959.

W. L. MITCHELL,
Commissioner of Social Security.

Approved: October 12, 1959.

ARTHUR S. FLEMMING,
Secretary of Health, Education, and Welfare.

[F.R. Doc. 59-8737; Filed, Oct. 15, 1959; 8:47 a.m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 960]

[AO-315]

POTATOES GROWN IN FLORIDA

Notice of Hearing With Respect to Proposed Marketing Agreement and Order

Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674), and in accordance with the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900.0 et seq.), notice is hereby given of a public hearing to be held at the Hastings Civic Center, Hastings, Florida, beginning at 9:30 a.m., November 3, 1959, with respect to a proposed Marketing Agreement No. 137 and Order No. 60 regulating the handling of potatoes grown in the State of Florida south or east of the Suwannee River. The proposed marketing agreement and order have not received the approval of the Secretary of Agriculture.

The hearing is for the purpose of receiving evidence with respect to economic and marketing conditions which relate to the provisions of a marketing agreement and order hereinafter set forth, or appropriate modifications thereof.

The North Florida Potato Council, representing growers and shippers in the State of Florida, requested a hearing on the following proposed marketing agreement and order authorizing regulation of the handling of potatoes in the proposed production area.

DEFINITIONS

§ 960.1 Secretary.

"Secretary" means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in his stead.

§ 960.2 Act.

"Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674).

§ 960.3 Person.

"Person" means an individual, partnership, corporation, association, or any other business unit.

§ 960.4 Production area.

"Production area" means all territory in the State of Florida south or east of the Suwannee River.

§ 960.5 Potatoes.

"Potatoes" means all white varieties of Irish potatoes grown within the production area.

§ 960.6 Handler.

"Handler" is synonymous with "Shipper" and means any person (except a common or contract carrier of potatoes owned by another person) who handles potatoes or causes potatoes to be handled.

§ 960.7 Handle.

"Handle" or "Ship" means to transport, sell, or in any other way to place potatoes in the current of commerce within the production area or between the production area and any point outside thereof: *Provided,* That such terms shall not include transportation, sale, or delivery of potatoes by a producer to a handler registered as such with the Committee and who has adequate facilities within the production area for grading. In the event a producer sells potatoes other than to a registered handler, such producer shall be the handler of such potatoes.

§ 960.8 Producer.

"Producer" means any person engaged in a proprietary capacity in the production of potatoes for market.

§ 960.9 Grading.

"Grading" is synonymous with "preparation for market" and means the sorting or separation of potatoes into grades, sizes and packs for market purposes.

§ 960.10 Grade and size.

"Grade" means any one of the established grades of potatoes and "Size" means any one of the established sizes of potatoes as defined and set forth in the U.S. Standards for Potatoes (§§ 51.1540 to 51.1556 of this title) or U.S. Consumer Standards for Potatoes (§§ 51.1575 to 51.1587 of this title), both issued by the United States Department of Agriculture, or amendments thereto, or modifications thereof, or variations based thereon recommended by the Committee and approved by the Secretary.

§ 960.11 Pack.

"Pack" means a quantity of potatoes in any type of container and which falls within specific weight limits or within specific grade limits, or both, recommended by the Committee and approved by the Secretary.

§ 960.12 Container.

"Container" means a sack, bag, crate, box, basket, barrel, or bulk load or any other receptacle used in the packaging, transportation or sale of potatoes.

§ 960.13 Label.

"Label" means to mark, brand, or otherwise designate on containers the official grade or size, or both, of potatoes therein.

§ 960.14 Varieties.

"Varieties" means and includes all classifications or subdivisions of white Irish potatoes according to those definitive characteristics now or hereafter recognized by the United States Department of Agriculture.

§ 960.15 Committee.

"Committee" means the Florida Potato Committee, established pursuant to § 960.22.

§ 960.16 Shippers Advisory Board.

"Shippers Advisory Board", "Advisory Board", or "Board" means the advisory board established pursuant to § 960.36.

§ 960.17 Fiscal Period.

"Fiscal Period" means the period beginning and ending on the dates approved by the Secretary pursuant to recommendations by the Committee.

§ 960.18 District.

"District" means each one of the geographical divisions of the production area initially established pursuant to § 960.24, or as reestablished pursuant to § 960.25.

§ 960.19 Export.

"Export" means shipment of potatoes beyond the boundaries of continental United States.

COMMITTEE

§ 960.22 Establishment and membership.

(a) The Florida Potato Committee consisting of twelve members, all of whom shall be either producers or producer-handlers, is hereby established. For each member of the Committee there shall be an alternate who shall have the same qualifications as the member.

(b) Persons selected as Committee members or alternates to represent producers shall be producers or producer-handlers, or officers or employees of a producer or producer-handler, residing and producing potatoes in the district for which selected.

§ 960.23 Term of office.

(a) The term of office of committee members, and their respective alternates shall be for one year and shall begin as of September 1 and end as of August 31 of the succeeding year.

(b) Committee members and alternates shall serve during the term of office for which they are selected and have qualified, or during that portion thereof beginning on the date on which they qualify during such term of office and continuing until the end thereof, and until their successors are selected and have qualified.

§ 960.24 Districts.

For the purpose of determining the basis for selecting Committee members the following districts of the production area are hereby initially established.

District I. Central and South Florida District: The Counties of Dade, Pinellas; Hillsborough, Polk, Osceola, Brevard, Manatee, Hardee, Highlands, Okeechobee, Indian River, St. Lucie, Martin, Charlotte, Glades, Lee, Hendry, Collier, Palm Beach, Broward,

Monroe, Sarasota, DeSoto, Seminole, Orange, Sumter, Citrus, Hernando and Pasco in the State of Florida; and

District II. North Florida District: The counties of Suwannee, Columbia, Baker, Nassau, Duval, Bradford, Clay, Gilchrist, Union, Alachua, Putnam, St. Johns, Flagler, Levy, Marion, Volusia and Lake in the State of Florida.

§ 960.25 Redistricting.

The Committee may recommend and pursuant thereto the Secretary may approve, the reapportionment of members among districts, and the reestablishment of districts within the production area. In recommending any such changes, the Committee shall give consideration to: (a) Shifts in potato acreage within districts and within the production area during recent years; (b) the importance of new production in its relation to existing districts; (c) the equitable relationship of Committee membership and districts; (d) economies resulting to producers in promoting efficient administration due to redistricting or reappointment of members within districts; and (e) other relevant factors. No change in districting or in apportionment of members within districts may become effective within less than 30 days prior to the date on which terms of office begin each year and no recommendations for such redistricting or reapportionment may be made less than six months prior to such date.

§ 960.26 Selection.

The Secretary shall select from the respective districts and subdivisions of districts the following number of producers or producer-handlers with their respective alternates:

District I. Central and South Florida District: Two producers or producer-handlers selected as follows:

Subdistrict A. (Lower East Coast and Everglades Areas). One producer or producer-handler from the Counties of Dade, Broward, Palm Beach, Martin, St. Lucie, Indian River, Brevard, Okeechobee, Osceola, Orange and Seminole in the State of Florida.

Subdistrict B. (Central and Lower West Coast Areas). One producer or producer-handler from the Counties of Monroe, Collier, Hendry, Lee, Charlotte, Glades, Highlands, DeSoto, Hardee, Manatee, Sarasota, Pinellas, Hillsborough, Polk, Pasco, Hernando, Citrus and Sumter in the State of Florida.

District II. North Florida District: Ten producers or producer-handlers selected as follows:

Subdistrict A. (Hastings Area). Five producers or producer-handlers from the Counties of St. Johns, Duval and Nassau in the State of Florida.

Subdistrict B. (Flagler Area). Two producers or producer-handlers from the Counties of Volusia and Flagler in the State of Florida.

Subdistrict C. (East Putnam Area). Two producers or producer-handlers from the Counties of Putnam, Clay, Lake and Marion in the State of Florida.

Subdistrict D. (Gainesville Area). One producer or producer-handler from the Counties of Baker, Union, Bradford, Alachua, Levy, Suwannee, Columbia and Gilchrist in the State of Florida.

§ 960.27 Nomination.

The Secretary may select the members of the Committee and alternates from nominations which may be made in the following manner:

(a) A meeting or meetings of producers or producer-handlers shall be held in each district or subdistrict to nominate members and alternates for the Committee. For nominations to the initial Committee, the meetings may be sponsored by the United States Department of Agriculture or by any agency or group requested to do so by such Department. For nominations for succeeding members and alternates on the Committee, the Committee shall hold such meetings or cause them to be held prior to July 1 of each year, after the effective date of this subpart;

(b) At each such meeting at least one nominee shall be designated for each position as member and for each position as alternate member on the Committee and eligible voters at such meetings may ballot to indicate the ranking of their choice for each nominee;

(c) Nominations for Committee members and alternates shall be supplied to the Secretary in such manner and form as he may prescribe not later than July 15 of each year;

(d) Only producers or producer-handlers may participate in designating nominees for producer or producer-handler Committee members and their alternates. In the event a person is engaged in producing potatoes in more than one district or subdistrict, such person shall elect the district or subdistrict in which he may participate as aforesaid in designating nominees; and

(e) Regardless of the number of districts or subdistricts in which a person produces potatoes, each such person is entitled to cast only one vote on behalf of himself, his agents, subsidiaries, affiliates, and representatives in designating nominees for Committee members and alternates. An eligible voter's privilege of casting only one vote as aforesaid shall be construed to permit a voter to cast one vote for each position to be filled in the respective district or subdistrict in which he elects to vote.

§ 960.28 Failure to nominate.

If nominations are not made within the time and in the manner specified in § 960.27, the Secretary may, without regard to nominations, select the Committee members and alternates, which selection shall be on the basis of the representation provided for in §§ 960.24 through 960.26, inclusive.

§ 960.29 Acceptance.

Any person selected as a Committee member or alternate shall qualify by filing a written acceptance with the Secretary or the person designated by the Secretary within ten days after being notified of such selection.

§ 960.30 Vacancies.

To fill Committee vacancies, the Secretary may select such members and alternates from unselected nominees on the current nominee list from the district involved, or from nominations made in the manner specified in § 960.27. If the names of nominees to fill any such vacancy are not made available to the Secretary within 30 days after such vacancy occurs, such vacancy may be filled without regard to nominations, which selection shall be made on the basis of the representation provided for in §§ 960.24 through 960.26 inclusive.

§ 960.31 Alternate members.

An alternate member of the Committee shall act in the place and stead of the member for whom he is an alternate during such member's absence. In the event of death, removal, resignation or disqualification of a member, his alternate shall act for him until a successor of such member is selected and has qualified.

§ 960.32 Procedure.

(a) Seven members of the Committee shall be necessary to constitute a quorum and seven concurring votes shall be required to pass any motion or approve any Committee action.

(b) The Committee may provide for meeting by telephone, telegraph, or other means of communication, and any vote cast at such meeting shall be promptly confirmed in writing: *Provided,* That if any assembled meeting is held, all votes shall be cast in person.

§ 960.33 Expenses and compensation.

Committee members and alternates may be reimbursed for expenses necessarily incurred by them in the performance of duties and in the exercise of powers under this part.

§ 960.34 Powers.

The Committee shall have the following powers:

(a) To administer the provisions of this part in accordance with its terms;

(b) To make rules and regulations to effectuate the terms and provisions of this part;

(c) To receive, investigate, and report to the Secretary complaints of violation of the provisions of this part; and

(d) To recommend to the Secretary amendments to this part.

§ 960.35 Duties.

It shall be, among other things, the duty of the Committee:

(a) As soon as practicable at the beginning of each term of office, to meet and organize, to select a chairman and such other officers as may be necessary, to select subcommittees of committee members and to adopt such rules and regulations for the conduct of its business as it may deem advisable;

(b) To act as intermediary between the Secretary and any producer or handler;

(c) To furnish to the Secretary such available information as he may request;

(d) To appoint such employees, agents, and representatives as it may deem necessary and to determine the salaries and define the duties of each such person;

(e) To investigate from time to time and to assemble data on the growing, harvesting, shipping and marketing conditions with respect to potatoes;

(f) To prepare a marketing policy;

(g) To recommend marketing regulations to the Secretary;

(h) To recommend rules and procedures for, and to make determinations in connection with the issuance of certificates of privilege or exemptions, or both;

(i) To investigate an applicant's claim for exemptions;

(j) To keep minutes, books, and records which clearly reflect all of the acts and transactions of the committee and such minutes, books, and records shall be subject to examination at any time by the Secretary or his authorized agent or representative. Minutes of each Committee meeting shall be reported promptly to the Secretary;

(k) At the beginning of each fiscal period, to prepare a budget of its expenses for such fiscal period, together with a report thereon;

(l) To cause the books of the Committee to be audited by a competent accountant at least once each fiscal period, and at such other time as the Committee may deem necessary or as the Secretary may request. The report of such audit shall show the receipt and expenditure of funds collected pursuant to this part; a copy of each such report shall be furnished to the Secretary and a copy of each such report shall be made available at the principal office of the Committee for inspection by producers and handlers; and

(m) To consult, cooperate, and exchange information with other marketing agreement committees and other individuals or agencies in connection with all proper committee activities and objectives under this part.

SHIPPERS ADVISORY BOARD

§ 960.36 Establishment and membership.

(a) A Shippers Advisory Board consisting of five members who are either handlers or producer-handlers is hereby established. For each member of the Board there shall be an alternate who shall have the same qualifications as the member.

(b) Persons selected as Board members or alternates to represent handlers shall be handlers or producer-handlers, or officers or employees of a handler or producer-handler, residing and handling potatoes in the district or subdistrict for which selected.

§ 960.37 Term of office.

The term of office of Board members and their respective alternates shall be for one year and shall begin as of September 1 and end as of August 31. The Board members and alternates shall serve during the term of office for which they are elected, or during that portion thereof beginning on the date on which they are elected and continuing until the end thereof and until their successors are elected.

§ 960.38 Districts.

One member and alternate from District I shall be elected by the handlers and producer-handlers operating in District I. Four members and alternates shall be elected by the handlers and producer-handlers operating in District II: *Provided, however,* That one member and alternate shall be a handler or producer-handler operating in Subdistrict D of District II.

§ 960.39 Election of initial members.

A meeting or meetings of handlers or producer-handlers shall be held in each district or subdivision of a district to elect members and alternate members to the Shippers Advisory Board. For elections to the initial Board, the meetings may be sponsored by the United States Department of Agriculture or any agency or group requested to do so by such Department.

§ 960.40 Election of succeeding members.

For the election of succeeding members and alternate members to the Board, the Committee shall hold such meetings or cause them to be held prior to July 1 of each year, after the effective date of this subpart.

§ 960.41 Alternate members.

An alternate member shall, in the event of such member's absence from a meeting of the Board, act in the place and stead of such member, and in the event of a vacancy in the office of such member, shall act in the place and stead of such member until a successor for the unexpired term of such member has been elected.

§ 960.42 Failure to elect.

If members and alternate members are not elected within the time and in the manner specified in §§ 960.37 and 960.38, the members of the Committee may select the Board members and alternates on the basis of the representation provided in § 960.38.

§ 960.43 Duties.

The Shippers Advisory Board may attend each meeting of the Committee held to consider recommendations with respect to regulations of the shipment of potatoes. The Board may advise the Committee on matters relating to such recommendations, but shall have no vote with the Committee in any matter.

§ 960.44 Expenses and compensation.

Board members and alternates may be reimbursed for expenses necessarily incurred by them in the performance of duties under this part.

EXPENSES AND ASSESSMENTS

§ 960.45 Expenses.

The Committee is authorized to incur such expenses as the Secretary may find are reasonable and likely to be incurred during each fiscal period for its maintenance and functioning, and for such purposes as the Secretary, pursuant to this subpart, determines to be appropriate. Handlers shall share expenses upon the basis of a fiscal period. Each handler's share of such expense shall be proportionate to the ratio between the total quantity of potatoes under regulation handled by him as the first handler thereof during a fiscal period and the total quantity of potatoes under regulation handled by all handlers as first handlers thereof during such fiscal period.

§ 960.46 Budget.

As soon as practicable after the beginning of each fiscal period and as may be necessary thereafter, the Committee shall prepare an estimated budget of income and expenditures necessary for the administration of this part. The Committee may recommend a rate of assessment calculated to provide adequate funds to defray its proposed expenditures. The Committee shall present such budget to the Secretary with an accompanying report showing the basis for its calculations.

§ 960.47 Assessments.

(a) The funds to cover the Committee's expenses shall be acquired by the levying of assessments upon handlers as provided in this subpart. Each handler who first handles potatoes which are regulated under this part shall pay assessments to the Committee upon demand, which assessments shall be in payment of such handler's pro rata share of the Committee's expenses.

(b) Assessments shall be levied upon handlers at rates established by the Secretary. Such rates may be established upon the basis of the Committee's recommendations and other available information. Such rates may be applied to specified containers used in the production area.

(c) At any time during or subsequent to a given fiscal period the Committee may recommend the approval of an amended budget and an increase in the rate of assessment. Upon the basis of such recommendations, or other available information, the Secretary may approve an amended budget and increase in the rate of assessment. Such increase shall be applicable to all potatoes which were regulated under this part and which were shipped by the first handler thereof during such fiscal period.

(d) The payment of assessments for the maintenance and functioning of the Committee may be required under this part throughout the period it is in effect irrespective whether particular provisions thereof are suspended or become inoperative.

§ 960.48 Accounting.

(a) If, at the end of a fiscal period, the assessments collected are in excess of expenses incurred, such excess shall be accounted for in accordance with one of the following:

(1) If such excess is not retained in a reserve, as provided in subparagraph (2) of this paragraph, it shall be refunded proportionately to the persons from whom it was collected: *Provided,* That any sum paid by a person in excess of his pro rata share of the expenses during any fiscal period may be applied by the Committee at the end of such fiscal period to any outstanding obligations due the Committee from such person.

(2) The Committee, with the approval of the Secretary, may carry over such excess into subsequent fiscal periods as a reserve: *Provided,* That funds already in the reserve do not equal approximately one fiscal period's expenses. Such reserve funds may be used (i) to defray expenses during any fiscal period

prior to the time assessment income is sufficient to cover such expenses; (ii) to cover deficits incurred during any fiscal period when assessment income is less than expenses; (iii) to defray expenses incurred during any period when any or all provisions of this part are suspended or are inoperative; and (iv) to cover necessary expenses of liquidation in the event of termination of this part. Upon such termination, any funds not required to defray the necessary expenses of liquidation shall be disposed of in such manner as the Secretary may determine to be appropriate. To the extent practical, such funds shall be returned pro rata to the persons from whom such funds were collected.

(b) All funds received by the Committee pursuant to the provisions of this part shall be used solely for the purpose specified in this part and shall be accounted for in the manner provided in this part. The Secretary may at any time require the Committee and its members to account for all receipts and disbursements.

(c) Upon the removal or expiration of the term of office of any member of the Committee, such member shall account for all receipts and disbursements and deliver all property and funds in his possession to the Committee, and shall execute such assignments and other instruments as may be necessary or appropriate to vest in the Committee full title to all of the property, funds, and claims vested in such member pursuant to this part.

(d) The Committee may make recommendations to the Secretary for one or more of the members thereof, or any other person, to act as a trustee for holding records, funds, or any other Committee property during periods of suspension of this subpart, or during any period or periods when regulations are not in effect and if the Secretary determines such action appropriate, he may direct that such person or persons shall act as trustee or trustees for the Committee.

RESEARCH AND DEVELOPMENT

§ 960.50 Research and development.

The Committee, with the approval of the Secretary, may establish or provide for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of potatoes. The expenses of such projects shall be paid from funds collected pursuant to § 960.47.

REGULATION

§ 960.54 Marketing policy.

Prior to, or at the same time as initial recommendations are made pursuant to § 960.55, the Committee shall submit to the Secretary a report setting forth the marketing policy it deems desirable for the industry to follow in shipping potatoes from the production area during the ensuing season. Additional reports shall be submitted from time to time if it is deemed advisable by the Committee to adopt a new or modified marketing policy because of changes in the demand and supply situation with respect to potatoes. The Committee shall publicly announce the submission of each such marketing policy report and copies thereof shall be available at the Committee's office for inspection by any producer or handler. In determining each such marketing policy, the Committee shall give due consideration to the following:

(a) Market prices of potatoes, including prices by grades, sizes and quality in different packs, and such prices in competing areas;

(b) Supply of potatoes by grade, size and quality in the production area and in other producing areas;

(c) Trend and level of consumer income;

(d) Marketing conditions affecting potato prices; and

(e) Other relevant factors.

§ 960.55 Recommendations for regulations.

The Committee, upon complying with the requirements of §§ 960.32 and 960.54, may recommend regulations to the Secretary whenever it finds that such regulations as are provided for in this subpart will tend to effectuate the declared policies of the Act, except that no recommendations may be made on maturities of potatoes or skinning as classified within the U.S. Standards for Potatoes, or for any regulations to be effective before April 10 of any year. In addition, no recommendations may be made for any regulations which do not terminate before November 1 of any year.

§ 960.56 Issuance of regulations.

The Secretary shall limit by regulation the handling of potatoes whenever he finds from the recommendation and information submitted by the Committee, or from other available information, that such regulation would tend to effectuate the declared policy of the Act, such regulation may:

(a) Limit in any or all portions of the production area the handling of particular grades, sizes, qualities, or packs of any or all varieties of potatoes during any period; or

(b) Limit the handling of particular grades, sizes, qualities, or packs of potatoes differently for different varieties, for different portions of the production area, for different containers, for different markets, for different purposes specified in § 960.58, or any combination of the foregoing, during any period; or

(c) Limit the handling of potatoes by establishing in terms of grades, sizes, or both, minimum standards of quality and maturity; or

(d) Fix the size, weight, capacity, dimension or pack of the container or containers which may be used in the packaging, transportation, sale, shipment, or other handling of potatoes; or

(e) Establish and prescribe pack specifications for the grading and packing of any variety or varieties of potatoes and require that all potatoes handled shall be packed in accordance with such pack specifications and identified by appropriate labels, seals, stamps or tags showing the particular pack specifications of the lot, affixed to the containers by the handler under the supervision of the Committee or an inspector of the Federal-State Inspection Service, and

(f) Regulations shall not be issued that are more restrictive than the highest requirements recommended by the Committee.

§ 960.57 Minimum quantities.

The Committee, with the approval of the Secretary may establish for any or all portions of the production area, minimum quantities below which handling will be free from regulations issued or effective pursuant to §§ 960.47, 960.56, 960.58, 960.62, or any combination thereof.

§ 960.58 Shipments for special purposes.

Upon the basis of recommendations and information submitted by the Committee, or other available information, the Secretary whenever he finds that it will tend to effectuate the declared policy of the Act, shall modify, suspend, or terminate regulations issued pursuant to §§ 960.47, 960.56, 960.57, 960.62, or any combination thereof, in order to facilitate handling of potatoes for the following purposes:

(a) For export;

(b) For relief or for charity;

(c) For processing; or

(d) For other purposes which may be specified by the Committee, with the approval of the Secretary, except that potatoes for use either as potato chips or prepeeling, shall be considered as being for the same purpose as potatoes for fresh market.

§ 960.59 Notification of regulation.

The Secretary shall notify the Committee of any regulations issued or of any modification, suspension, or termination thereof. The Committee shall give reasonable notice thereof to handlers.

§ 960.60 Safeguards.

(a) The Committee, with the approval of the Secretary, may prescribe adequate safeguards to prevent handling of potatoes pursuant to § 960.57 or § 960.58 from entering channels of trade other than those authorized, and rules governing the issuance and the contents of Certificates of Privilege if such certificates are prescribed as safeguards by the Committee. Such safeguards may include requirements that:

(1) Handlers shall file applications with the Committee to ship potatoes pursuant to §§ 960.57 and 960.58; or

(2) Handlers shall obtain inspection provided by § 960.62, or pay the assessment levied pursuant to § 960.47, or both, in connection with shipments made under § 960.58; or

(3) Handlers shall obtain Certificates of Privilege from the Committee to handle potatoes affected or to be affected under the provisions of §§ 960.57 and 960.58.

(b) The Committee may rescind or deny Certificates of Privilege to any handler if proof is obtained that potatoes handled by him for the purposes stated in §§ 960.57 and 960.58 were handled contrary to the provisions of this part.

(c) The Secretary shall have the right to modify, change, alter, or rescind any safeguards prescribed and any certificates issued by the Committee pursuant to the provisions of this section.

(d) The Committe shall make reports to the Secretary as requested, showing the number of applications for such certificates, the quantity of potatoes covered by such applications, the number of such applications denied and certificates granted, the quantity of potatoes handled under duly issued certificates, and such other information as may be requested.

INSPECTION

§ 960.62 Inspection and certification.

(a) During any period in which the handling of potatoes is regulated pursuant to §§ 960.47, 960.56 and 960.58, or any combination thereof, no handler shall handle potatoes unless the potatoes are inspected by an authorized representative of the Federal-State Inspection Service, or such other inspection service as the Secretary shall designate, except when relieved from such requirements pursuant to § 960.57 or § 960.58, or both.

(b) Regrading, resorting, or repacking any lot of potatoes shall invalidate any prior inspection certificates insofar as the requirements of this section are concerned. No handler shall handle potatoes after they have been regraded, resorted, repacked, or in any other way further prepared for market, unless each lot of such potatoes is inspected by an authorized representative of the Federal-State Inspection Service, or such other inspection service as the Secretary shall designate: *Provided,* That the Committee, with the approval of the Secretary, may provide for waiving inspection requirements on any potatoes in circumstances where it appears reasonably certain that after regarding, resorting or repacking, such potatoes meet the applicable quality and other standards then in effect.

(c) Insofar as the requirements of this section are concerned, the length of time for which an inspection certificate is valid may be established by the Committee with the approval of the Secretary.

(d) When potatoes are inspected in accordance with the requirements of this section a copy of each inspection certificate issued shall be made available to the Committee by the inspection service.

(e) The Committee may recommend and the Secretary may require that any potatoes transported by motor vehicle shall be accompanied by a copy of the inspection certificate issued thereon, which certificate shall be surrendered to such authority as may be designated.

EXEMPTIONS

§ 960.70 Procedure.

The Committee may adopt, with the approval of the Secretary, the procedure pursuant to which certificates of exemption will be issued to producers and handlers.

§ 960.71 Granting exemptions.

The Committee shall issue certificates of exemption to any producer who applies for such exemption and furnishes adequate evidence to the Committee that by reason of a regulation issued pursuant to § 960.56 he will be prevented from handling as large a proportion of his production as the average proportion of production handled during the entire season, or such portion thereof as may be determined by the Committee by all producers in said applicant's immediate production area and that the grade, size, or quality of the applicant's potatoes have been adversely affected by acts beyond the applicant's control and by acts beyond reasonable expectation. Each certificate shall permit the producer to handle the amount of potatoes specified thereon. Such certificates shall be transferred with such potatoes at time of transportation or sale.

§ 960.72 Investigation.

The Committee shall be permitted at any time to make a thorough investigation of any producer's or handler's claim pertaining to exemptions.

§ 960.73 Appeal.

If any applicant for exemption certificates is dissatisfied with the determination by the Committee with respect to his application, said applicant may file an appeal with the Committee. Such an appeal must be taken promptly after the determination by the Committee from which the appeal is taken. Any applicant filing an appeal shall furnish evidence satisfactory to the Committee for a determination on the appeal. The Committee shall thereupon reconsider the application, examine all available evidence and make a final determination concerning the application. The Committee shall notify the appellant of the final determination and shall furnish the Secretary with a copy of the appeal and a statement of considerations involved in making the final determination.

§ 960.74 Records.

(a) The Committee shall maintain a record of all applications submitted for exemption certificates, a record of all exemption certificates issued and denied, the quantity of potatoes covered by such exemption certificates, a record of the amount of potatoes handled under exemption certificates, a record of appeals for reconsideration of applications, and such other information as may be requested by the Secretary. Periodic reports on such records shall be compiled and issued by the Committee upon request of the Secretary.

(b) The Secretary shall have the right to modify, change, alter, or rescind any procedure and any exemptions granted pursuant to §§ 960.70 through 960.73, or any combination thereof.

REPORTS

§ 960.80 Reports.

Upon request of the Committee, made with approval of the Secretary, each handler shall furnish to the Committee in such manner and at such time as it may prescribe, such reports and other information as may be necessary for the Committee to perform its duties under this part.

(a) Such reports may include, but are not necessarily limited to the following:

(1) The quantities of potatoes received by a handler;

(2) The quantities disposed of by him, segregated as to the respective quantities subject to regulation and not subject to regulation;

(3) The date of each such disposition and the identification of the carrier transporting such potatoes; and

(4) Identification of the inspection certificates and the exemption certificates, if any, pursuant to which the potatoes were handled, together with the destination of each exempted disposition, and of all potatoes handled pursuant to §§ 960.57 and 960.58.

(b) All such reports shall be held under appropriate protective classification and custody by the Committee, or duly appointed employees thereof, so that the information contained therein which may adversely affect the competitive position of any handler in relation to other handlers will not be disclosed. Compilations of general reports from data submitted by handlers is authorized, subject to prohibition of disclosure of individual handlers identities or operations.

(c) Each handler shall maintain for at least two succeeding years such records of the potatoes received and disposed of by such handler as may be necessary to verify the reports he submits to the Committee pursuant to this section.

MISCELLANEOUS PROVISIONS

§ 960.81 Compliance.

Except as provided in this subpart, no handler shall handle potatoes, the handling of which has been prohibited by the Secretary in accordance with provisions of this subpart, and no handler shall handle potatoes except in conformity to the provisions of this subpart.

§ 960.82 Right of the Secretary.

The members of the Committee (including successors and alternates) and any agent or employee appointed or employed by the Committee shall be subject to removal or suspension by the Secretary at any time. Each and every order, regulation, decision, determination or other act of the Committee shall be subject to the continuing right of the Secretary to disapprove of the same at any time. Upon such disapproval, the disapproved action of the said Committee shall be deemed null and void, except as to acts done in reliance thereon or in compliance therewith prior to such disapproval by the Secretary.

§ 960.83 Effective time.

The provisions of this subpart or any amendments thereto shall become effective at such time as the Secretary may declare and shall continue in force until terminated in one of the ways specified in this subpart.

§ 960.84 Termination.

(a) The Secretary may at any time terminate the provisions of this subpart by giving at least one day's notice by

means of a press release or in any other manner which he may determine.

(b) The Secretary may terminate or suspend the operations of any or all of the provisions of this subpart whenever he finds that such provisions do not tend to effectuate the declared policy of the Act.

(c) The Secretary shall terminate the provisions of this subpart at the end of any fiscal period whenever he finds that such termination is favored by a majority of producers, who during a representative period, have been engaged in the production of potatoes for market: *Provided*, That such majority has, during such representative period, produced for market more than fifty percent of the volume of such potatoes produced for market.

(d) The provisions of this subpart shall in any event terminate whenever the provisions of the Act authorizing them cease to be in effect.

§ 960.85 Proceedings after termination.

(a) Upon the termination of the provisions of this subpart the then functioning members of the Committee shall continue as joint trustees for the purpose of liquidating the affairs of the Committee of all funds and property then in the possession of or under control of the Committee, including claims for any funds unpaid or property not delivered at the time of such termination. Action by said trusteeship shall require the concurrence of a majority of the said trustees.

(b) The said trustees shall continue in such capacity until discharged by the Secretary; shall from time to time account for all receipts and disbursements and deliver all property on hand, together with all books and records of the Committee and of the trustees, to such person as the Secretary may direct; and shall upon the request of the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title and right to all of the funds, property and claims vested in the Committee or the trustees pursuant to this subpart.

(c) Any person to whom funds, property, or claims have been transferred or delivered by the Committee or its members pursuant to this section shall be subject to the same obligations imposed upon the members of the Committee and upon the said trustees.

§ 960.86 Effect of termination or amendment.

Unless otherwise expressly provided by the Secretary, the termination of this subpart or of any regulation issued pursuant to this subpart, or the issuance of any amendments to either thereof, shall not (a) affect or waive any right, duty, obligation or liability which shall have arisen or which may thereafter arise in connection with any provision of this subpart or any regulation issued under this subpart; or (b) release or extinguish any violation of this subpart or of any regulations issued under this subpart; or (c) affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violations.

§ 960.87 Duration of immunities.

The benefits, privileges and immunities conferred upon any person by virtue of this subpart shall cease upon the termination of this subpart, except with respect to acts done under and during the existence of this subpart.

§ 960.88 Agents.

The Secretary may, by designation in writing, name any person, including any officer or employee of the United States, or name any agency in the United States Department of Agriculture, to act as his agent or representative in connection with any of the provisions of this subpart.

§ 960.89 Derogation.

Nothing contained in this subpart is or shall be construed to be in derogation or in modification of the rights of the Secretary or of the United States to exercise any powers granted by the Act or otherwise, or in accordance with such powers, to act in the premises whenever such action is deemed advisable.

§ 960.90 Personal liability.

No member or alternate of the Committee nor any employee or agent thereof, shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any handler or to any person for errors in judgment, mistakes, or other acts, either of commission or omission as such member, alternate, agent, or employee, except for acts of dishonesty, willful misconduct or gross negligence.

§ 960.91 Separability.

If any provision of this subpart is declared invalid or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this subpart, or the applicability thereof to any other person, circumstance or thing shall not be affected thereby.

§ 960.92 Amendments.

Amendments to this subpart may be proposed from time to time by the Committee or by the Secretary.

§ 960.93 Counterparts.

This agreement may be executed in multiple counterparts and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument as if all signatures were contained in one original.[1]

§ 960.94 Additional parties.

After the effective date hereof, any handler who has not previously executed this agreement, may become a party hereto if a counterpart hereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting party at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.[1]

[1] Applicable only to the proposed marketing agreement.

§ 960.95 Order with marketing agreement.

Each signatory handler favors and approves the issuance of an order by the Secretary regulating the handling of potatoes in the same manner as is provided for in this agreement; and each signatory handler hereby requests the Secretary to issue, pursuant to the act, such an order.[1]

Copies of this notice of hearing may be procured from the Hearing Clerk, United States Department of Agriculture, Room 112, Administration Building, Washington 25, D.C., or may be there inspected.

Issued at Washington, D.C., this 13th day of October 1959.

ROY W. LENNARTSON,
Deputy Administrator,
Marketing Services.

[F.R. Doc. 59-8724; Filed, Oct. 15, 1959; 8:46 a.m.]

DEPARTMENT OF LABOR

Division of Public Contracts

[41 CFR Part 202]

PAPER AND PAPERBOARD CONTAINERS AND PACKAGING PRODUCTS INDUSTRY

Change of Date and Place of Hearing to Determine Prevailing Minimum Wages

On September 25, 1959, notice was published in the FEDERAL REGISTER (24 F.R. 7735), of a hearing to be held October 19, 1959, to determine prevailing minimum wages in the Paper and Paperboard Containers and Packaging Products Industry under the Walsh-Healey Public Contracts Act (49 Stat. 2036, as amended; 41 U.S.C. 35 et seq.). Notice is hereby given that the time and place for the hearing have been changed to 10:00 a.m., December 7, 1959, in Room 1214, United States Department of Labor Building, 14th Street and Constitution Avenue NW., Washington, D.C.

All other provisions of the original notice remain unaffected.

Signed at Washington, D.C., this 14th day of October 1959.

JAMES P. MITCHELL,
Secretary of Labor.

[F.R. Doc. 59-8784; Filed, Oct. 15, 1959; 9:30 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 241]

[Economic Regs., Docket No. 10912]

UNIFORM SYSTEM OF ACCOUNTS AND REPORTS FOR CERTIFICATED AIR CARRIERS

Notice of Proposed Rule Making

OCTOBER 12, 1959.

Notice is hereby given that the Civil Aeronautics Board has under consideration a proposed amendment to Part 241

of the Economic Regulations which would clarify and define the use of classification "9700 Special Income Credits and Debits (Net)" in carrier accounting practices.

The principal features of the proposed regulation are recited in the explanatory statement below and the proposed amendment to Part 241 is set forth below in the proposed rule. This regulation is proposed under authority of sections 204(a) and 407 of the Federal Aviation Act of 1958 (72 Stat. 743, 766; 49 U.S.C. 1324, 1377).

Interested persons may participate in the proposed rule making through submission of seven (7) copies of written data, views or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington 25, D.C. All relevant matter in communications received on or before November 16, 1959 will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available on or after November 18, 1959, for examination by interested persons in the Docket Section of the Board, Room 711, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C.

By the Civil Aeronautics Board.

[SEAL] MABEL MCCART,
Acting Secretary.

Explanatory statement. Variances in different carriers' practices in the use of classification "9700 Special Income Credits and Debits (Net)" indicate the need for clarification of the pertinent regulations.

A basic objective of the accounting regulations is the maintenance of uniform practices between carriers to assure the interpretative integrity and comparability of individual account classifications on a continuing basis. Reasonable achievement of these objectives requires that revenue and expense items which represent ordinary recurrent adjustments be shown in the accounts to which ordinarily applicable to prevent a cumulative perpetuation of errors. Moreover, by its very terms a "Special" item must be both of an extraordinary nature and of material magnitude. Thus the proposed modified rule would require that to be of an extraordinary nature an item must be either (a) a net income element which possesses no particular time incidence, (b) a retroactive introduction of an element which is not ordinarily a recurrent component of net income, (c) a retroactive exclusion of an element ordinarily a component of net income of prior periods, or (d) a retroactive adjustment of Federal subsidy due to a revision of subsidy mail rates of prior periods. Under this requirement, items representing ordinary corrections of errors in prior computations of net income would not be characterized as "Special." As a standard for implementing this principle the proposed rule would also require that to be classifiable as "Special" an extraordinary item must exceed one percent of the 12 months-to-date total operating revenues or total operating expenses, depending on the nature of the item. The total of all adjustments recorded in the regular objective accounts relating to the same transaction should be identified by footnote when it exceeds one percent of the functional classification to which applicable. The proposed rule also provides for a number of editorial changes to the manual which would clarify related provisions.

It is proposed to amend Part 241 of the Economic Regulations (14 CFR Part 241) as follows:

§ 241.1–3 [Amendment]

1. By modifying the last sentence of § 241.1–3(b) to read as follows: "Profit and loss elements which are recorded during the current accounting year are subclassified as between (1) those which relate to the current accounting year and adjustments of a recurrent nature applicable to prior accounting years and (2) extraordinary items of material magnitude."

2. By modifying § 241.2–7 *Delayed items,* to read as follows:

§ 241.2–7 Delayed items.

(a) All items affecting net income, including revenue and expense adjustments, shall be recorded in the appropriate profit and loss accounts shown on the income statement, and shall not be entered directly to retained earnings.

(b) Items applicable to operations occurring prior to the current accounting year shall be included in the same accounts which would have been charged or credited if the items had not been delayed; provided that, any item of extraordinary nature which is so large in amount that inclusion in the accounts for a single year would materially distort the total operating expenses or total operating revenues, as applicable, shall be included in Profit and Loss Classification 9700 Special Items. Ordinary adjustments of a recurring nature shall not be considered extraordinary and shall be included in the accounts to which ordinarily applicable. For purposes of this regulation, debits or credits included in classification 9700 Special Items shall be limited to items (1) which have no particular time incidence; (2) which represent revenue or expense elements being retroactively introduced into the basis used for income computation; (3) which represent revenue or expense elements being retroactively eliminated from the basis used for income computation; or (4) which are retroactive adjustments of Federal subsidy due to revisions of subsidy mail rates of prior periods. Examples of extraordinary items to be included in this classification, when of sufficient materiality, are: catastrophic losses which are not a recurrent business hazard, such as from floods; the retroactive establishment or elimination of previously established reserves; the retroactive adjustment of Federal subsidy due to revision of prescribed mail rates; and the extraordinary write-off of assets. As a standard practice, an extraordinary item to be classified as special must exceed one percent of the 12 months-to-date total operating revenues or total operating expenses depending on the nature of the item. When an item (or items) recorded in one or more objective accounts of a given function and relating to a single transaction, does not exceed this amount but does exceed one percent of the total functional classification of which it is a part, it shall be included in the account to which ordinarily applicable and footnoted on Form 41.

(c) Items applicable to operations occurring in prior quarters of the current accounting year shall be included in the same accounts that would have been charged or credited if the items had not been delayed; provided that, when the total amount of an adjustment recorded in one or more of the regular objective accounts of a given function relating to a single transaction, exceeds one percent of the 12 months-to-date total in the applicable functional account it shall be identified in amount and nature by quarters to which applicable as a footnote to the CAB Form 41 income statement for the quarter in which included.

§ 241.8 [Amendment]

3. By amending § 241.8 as follows:

a. By modifying that portion of paragraph (d)(1)(i) which follows the second comma to read as follows: "* * * which relate to services performed during the current accounting year, and adjustments of a recurrent nature applicable to services performed in prior accounting years. (See § 241.2–7.)"

b. By modifying that portion of paragraph (d)(2)(i), beginning with "which are attributable," to read as follows: "* * * which are attributable to services performed during the current accounting year, and adjustments of a recurring nature attributable to services performed in prior accounting years. (See § 241.2–7.)"

c. By substituting for the phrase after the last semicolon in paragraph (d)(3) the following: "and special recurrent items of a non-period nature."

d. By modifying § 251.8(d)(5) to read as follows:

(5) *Special items.* This primary classification (9700) shall include extraordinary credits and debits, exclusive of ordinary adjustments of a recurring nature, that are of sufficient magnitude to materially distort the total operating revenues or total operating expenses and permit misleading inferences to be drawn therefrom. (See § 241.2–7.)

§ 241.12–00 [Amendment]

4. By modifying the second sentence of § 241.12–00(a) by deleting therefrom the phrase "performed during the current accounting period."

5. By modifying § 241.16 *Objective classification; special items* to read as follows:

§ 241.16 Objective classification; special items.

96. *Special Income Credits and Debits (Net).* Record here extraordinary income credits or debits accounted for during the current accounting year in accordance with the provisions of § 241.2–7. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each special income credit and each special income debit.

97 *Special Income Tax Credits and Debits (Net).* Record here income taxes allocable to items of income included in profit and loss account 96 Special Income Credits and Debits (Net) and other extraordinary income tax assessments that do not constitute ordinary adjustments of a recurrent nature in accordance with the provisions of § 241.2-7. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each special credit and each special debit.

[F.R. Doc. 59-8747; Filed, Oct. 15, 1959; 8:48 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 13078]

TELEVISION BROADCAST STATIONS; TABLE OF ASSIGNMENTS

Fort Worth and Denton, Tex.

In the matter of amendment of § 3.606 *Table of assignments,* Television Broadcast Stations (Fort Worth and Denton, Texas).

1. The Commission having under consideration a petition recently filed in this proceeding requesting that the time for filing reply comments herein be extended from October 12 to October 26, 1959; and

2. It apearing that the petition recites good cause for the requested extension of time and such extension would be in the public interest;

3. *It is ordered,* This 9th day of October 1959, that the time for filing reply comments herein is extended from October 12, 1959, until October 26, 1959.

Adopted: October 9, 1959.

Released: October 12, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-8745; Filed, Oct. 15, 1959; 8:47 a.m.]

[47 CFR Part 3]

[Docket No. 13194]

TELEVISION BROADCAST STATIONS

Corpus Christi, Tex.

In the matter of amendment of § 3.606 *Table of assignments,* Television Broadcast Stations (Corpus Christi, Texas).

1. The Commission has before it for consideration a "Petition for Extension of Time to File Comments" filed in this proceeding on October 7, 1959, by K-SIX Television, Inc., licensee of Station KZTV, Corpus Christi, Channel 10, requesting that the time for filing comments herein be extended from October 9 until November 9, 1959. The ground on which the extension is sought is that the present counsel for K-SIX was retained only on October 6, K-SIX's earlier counsel being unable to represent it in this proceeding because of a conflict of interest, and the present counsel requires more time for the adequate preparation of comments.

2. It appears that the "Petition" sets forth good cause for some extension of time under the circumstances, but not for the full amount of additional time requested. It appears that an extension of time of 17 days for filing comments is adequate and in the public interest.

3. *Accordingly, it is ordered,* This 9th day of October 1959, that the time for filing comments herein is extended to and including October 26, 1959, with reply comments to be filed within 15 days thereafter.

Adopted: October 9, 1959.

Released: October 12, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-8746; Filed, Oct. 15, 1959; 8:48 a.m.]

NOTICES

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Dept. Circ. 570, 1959 Rev. Supp. 5]

NEW HAMPSHIRE INSURANCE CO.

Surety Companies Acceptable on Federal Bonds

OCTOBER 12, 1959.

Effective September 30, 1959, the name of New Hampshire Fire Insurance Company, Manchester, New Hampshire, a New Hampshire corporation, was changed to New Hampshire Insurance Company by an act of the 1959 General Court of the State of New Hampshire, approved April 23, 1959. A copy of the Act certified by the Secretary of State of the State of New Hampshire is on file in the Treasury Department.

The change in name of New Hampshire Fire Insurance Company does not affect its status or liability with respect to any obligation in favor of the United States or in which the United States has an interest, which it may have undertaken pursuant to its authority under the Act of Congress approved July 30, 1947 (6 U.S.C. secs. 6-13), to qualify as sole surety on such obligations.

The name of the company will appear as New Hampshire Insurance Company in the next annual revision of this circular (Treasury Department Circular No. 570) which lists the companies authorized to act as acceptable sureties on bonds in favor of the United States.

[SEAL] MARTIN L. MOORE,
Assistant to the Fiscal Assistant Secretary.

[F.R. Doc. 59-8734; Filed, Oct. 15, 1959; 8:47 a.m.]

[Dept. Circ. 570, 1959 Rev. Supp. 6]

GRANITE STATE INSURANCE CO.

Surety Companies Acceptable on Federal Bonds

OCTOBER 12, 1959.

Effective September 30, 1959, the name of Granite State Fire Insurance Company, Manchester, New Hampshire, a New Hampshire corporation, was changed to Granite State Insurance Company by an act of the 1959 General Court of the State of New Hampshire, approved April 23, 1959. A copy of the Act certified by the Secretary of State of the State of New Hampshire is on file in the Treasury Department.

The change in name of Granite State Fire Insurance Company does not affect its status or liability with respect to any obligation in favor of the United States or in which the United States has an interest, which it may have undertaken pursuant to its authority under the Act of Congress approved July 30, 1947 (6 U.S.C. secs. 6-13), to qualify as sole surety on such obligations.

The name of the company will appear as Granite State Insurance Company in the next annual revision of this circular (Treasury Department Circular No. 570) which lists the companies authorized to act as acceptable sureties on bonds in favor of the United States.

[SEAL] MARTIN L. MOORE,
Assistant to the Fiscal Assistant Secretary.

[F.R. Doc. 59-8733; Filed, Oct. 15, 1959; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Office of the Secretary

KANSAS

Designation of Area for Production Emergency Loans

For the purpose of making production emergency loans pursuant to section 2(a) of Public Law 38, 81st Congress (12 U.S.C. 1148a-2(a)), as amended, it has been determined that in Barton County, Kansas, a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Pursuant to the authority set forth above, production emergency loans will not be made in the above-named county after June 30, 1960, except to applicants who previously received such assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 12th day of October 1959.

TRUE D. MORSE,
Acting Secretary.

[F.R. Doc. 59-8751; Filed, Oct. 15, 1959; 8:48 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

RUSSELL C. FLOM

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER.

A. Deletions: No change.
B. Additions: No change.

This statement is made as of October 3, 1959.

Dated: October 3, 1959.

RUSSELL C. FLOM.

[F.R. Doc. 59-8730; Filed, Oct. 15, 1959; 8:47 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 27-20]

OCEAN TRANSPORT CO.

Notice of Issuance of Byproduct, Source and Special Nuclear Material License

Please take notice that no requests for a formal hearing have been filed following the filing of notice of the proposed action with the Federal Register Division on September 15, 1959, the Atomic Energy Commission has this date issued Byproduct, Source and Special Nuclear Material License No. 4-5668-1 authorizing Ocean Transport Company to receive, possess, package, and dispose of byproduct, source and special nuclear materials in the Pacific Ocean in accordance with the terms and conditions of said license. Notice of the proposed action was published in the FEDERAL REGISTER on September 16, 1959, 24 F.R. 7472.

Dated at Germantown, Md., this 5th day of October 1959.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director, Division of Licensing and Regulation.

[F.R. Doc. 59-8718; Filed, Oct. 15, 1959; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 12544; FCC 59-1030]

BAY AREA ELECTRONIC ASSOCIATES

Memorandum Opinion and Order Reopening Record for Further Hearing

In re application of John J. Egan and Robert Sherman, d/b as Bay Area Electronic Associates, Santa Rosa, California, Docket No. 12544, File No. BP-11319; for construction permit.

1. The Commission has before it for consideration (1) the matters of record in the above-entitled proceeding; (2) the Initial Decision of Hearing Examiner Elizabeth C. Smith, released March 30, 1959 (FCC 59D-33; Mimeo No. 71294), proposing to grant the above-captioned application; and (3) exceptions to the Initial Decision, filed by Santa Clara Broadcasting Company, Inc. (KSJO) April 29, 1959.

2. This proceeding originally involved the mutually exclusive applications of Bay Area Electronic Associates (Bay Area) and Alfred M. Pettler, et al., d/b as Sonoma County Broadcasters (Sonoma County). By Order released October 1, 1958 (FCC 58M-1076; Mimeo No. 64099), the Sonoma County application was dismissed on the informal request of Mr. Pettler. At the hearing on the Bay Area application, an affidavit executed by Mr. Pettler was introduced into evidence. Mr. Pettler averred that Mr. Sherman, on behalf of Bay Area, had agreed to pay Sonoma County the sum of $1,000 as partial reimbursement for costs expended in the instant proceeding by Sonoma County. Mr. Sherman testified to the circumstances surrounding this agreement but was unable to state whether his partner, Mr. Egan, may have promised Mr. Pettler (Sonoma County) some additional compensation. Moreover, neither Mr. Pettler nor Mr. Sherman gave any breakdown or itemization of Sonoma County's expenses.

3. The Examiner concluded, on the basis of the above evidence, that nothing had been shown "which presents grounds for determining that a grant of the application would be contrary to the public interest." Our rules, however, require an affirmative, not a negative, finding that a grant would be in the public interest. See 47 CFR 1.363(c). The evidence adduced concerning Bay Area's payment to Sonoma County is insufficient for us to draw a conclusion favorable to Bay Area in this regard. The decisions of the Court of Appeals in Enterprise Company v. FCC (C.A.-D.C., 1959), — U.S. App. D.C. ——, 265 F. 2d 103, 18 RR 2031, and in Clarksburg Publishing Co. v. FCC (C.A.-D.C., 1955), 96 U.S. App. D.C. 211, 225 F. 2d 511, 12 RR 2024, point out that "if a payment of consideration is to be tolerated on the ground that it is only 'out-of-pocket expenses', evidence proving that the payment is indeed of that nature 'is indispensable to the Commission's conclusion that all is well' ". We therefore conclude that an itemization of expenses, which is lacking in this record, must be shown in order for us to properly determine whether a grant of the instant application would be in the public interest in light of the arrangement between the remaining applicant (Bay Area) and the "dropped-out" party (Sonoma County). It should also be determined whether or not the agreement represents the only consideration passing between these parties. In short, we require a full, complete disclosure of all the facts and circumstances surrounding an agreement of this nature.

Accordingly, it is ordered, This 7th day of October 1959, that the record herein is reopened and remanded to the Examiner for further hearing and for the preparation of a Supplemental Initial Decision, said further hearing to be held at the offices of the Commission in Washington, D.C., at a time and date subsequently to be specified;

It is further ordered, That the further hearing be upon the following issues:

1. To determine the nature and composition of the expenses claimed by Sonoma County Broadcasters, and the facts and circumstances surrounding Bay Area's agreement to partially reimburse said expenses.

2. To determine, in the light of the foregoing determination, whether such agreement either contravenes the public interest or constitutes an abuse of the Commission's processes.

3. To conclude, in the light of the foregoing determinations, whether a grant of the Bay Area application would be in the public interest, convenience and necessity;

It is further ordered, That Santa Clara Broadcasting Company, Inc. (KSJO) is and continues to be a party to this proceeding for the purposes of the hereinordered further hearing.

Released: October 12, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-8741; Filed, Oct. 15, 1959; 8:47 a.m.]

[Docket No. 12615 etc.; FCC 59M-1331]

COOKEVILLE BROADCASTING CO.

Order Scheduling Further Prehearing Conference

In re Applications of Hamilton Parks, tr/as Cookeville Broadcasting Company, Cookeville, Tennessee, et al., Docket No. 12615, File No. BP-11518; Docket Nos. 12960, 12962, 12963, 12964, 12965, 12966, 12967, 12968, 12969, 12970, 12971, 12972, 12973, 12974, 12976, 12977, 12978, 12979, 12980, 12981, 12982, 12983, 12984; for construction permits.

Pursuant to agreements and determinations made in prehearing conference—participated in by all parties whose short-name identifications are set out below as shown by Volume 1 of the transcript,

It is ordered, This 9th day of October 1959, that an informal conference of engineers for the parties herein shall be convened at 10:00 a.m. on Wednesday, October 21, 1959, at the offices of the Commission at which, as discussed on the record in prehearing, consideration will be given to the organization, alignment, and preparation of proposed stipulations and evidentiary exhibits relating to the technical issues herein; and

It is further ordered, That on or before November 20, 1959, the parties shall notify to each other, by tentative draft copies, all engineering exhibits and technical evidence material planned to be offered in the direct affirmative case presentations to be made; and

It is further ordered, That a further prehearing conference shall be convened at 10:00 a.m. on Thursday, November 5, 1959.

Released: October 12, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

Short-name Identification of Parties in Docket No. 12615, et al.

Name	Docket No.	Tentative group
Cookeville	12615	1
Mobile	12960	2
Tampa	12962	2
WTYN	12963	4
WCLE	12964	1
Smyrna	12965	1
Senatobia	12966	3
Star	12967	2
KGMO	12968	3
Irvine	12969	4
Morganfield	12970	3
Bessemer	12971	1
New Orleans	12972	2
Memphis	12973	3
Noe	12974	2
Bristol	12976	4
Poplar Bluff	12977	3
McLendon	12978	2
WCPK	12979	1
WKPT	12980	4
Coral Gables	12981	2
Birmingham	12982	1
Dunedin	12983	2
Port Allen	12984	2
KENT (Intervenor).		
Sullivan (Intervenor).		
Bureau (FCC).		

[F.R. Doc. 59-8742; Filed, Oct. 15, 1959; 8:47 a.m.]

[Docket Nos. 11364, 11663; FCC 59-1037]

RCA COMMUNICATIONS, INC., AND WESTERN UNION TELEGRAPH CO.

Order Rescheduling Oral Argument

In the matter of RCA Communications, Inc., v. the Western Union Telegraph Company, Docket No. 11364, Complaint with respect to Area "C" Pacific Traffic under the International Formula; In the matter of RCA Communications, Inc., Docket No. 11663, Request for appropriate Commission action with respect to alleged illegal practices of the Western Union Telegraph Company in handling traffic destined to various Far Eastern points.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 7th day of October 1959;

The Commission having under consideration its Order (FCC 59-958) of September 16, 1959, which scheduled oral argument in this proceeding to commence at 10:00 a.m. on October 23, 1959, and a motion to continue oral argument, filed October 2, 1959, by the Chief, Common Carrier Bureau;

It appearing that good cause for continuance has been shown and that all other parties have consented to this motion.

It is ordered, That the motion of the Chief, Common Carrier Bureau to continue oral argument is granted; that the oral argument scheduled for October 23, 1959, is cancelled; and that said oral argument before the Commission en banc is rescheduled for Friday, December 4, 1959, commencing at 10:00 a.m.

Released October 12, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-8743; Filed, Oct. 15, 1959; 8:47 a.m.]

[Docket No. 13221; FCC 59-1062]

WEST COAST TELEPHONE CO.

Order Instituting Investigation

In the matter of West Coast Telephone Company, Docket No. 13221; regulations and charges relating to channels for data transmission.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 12th day of October 1959;

The Commission having under consideration certain new tariff schedules filed by the West Coast Telephone Company (West Coast), Everett, Washington, under its Transmittal No. 96 to become effective October 15, 1959, and establishing regulations and charges for channels for data transmission. (West Coast Telephone Company Tariffs F.C.C. Nos. 13 and 14.)

It appearing that the Commission is unable to determine that the regulations and charges contained in the above-mentioned new tariff schedules are or will be just and reasonable or otherwise lawful under the provisions of section 201(b) or 202(a) of the Communications Act of 1934, as amended;

It further appearing that no rights and interests of the public will be substantially affected if the schedules are permitted to become effective on the date scheduled; and that to suspend the effective date of the proposed schedules would operate to deny service to the public;

It is ordered, That, pursuant to the provisions of sections 201, 202, 205 and 403 of the Communications Act of 1934, as amended, an investigation is hereby instituted into the lawfulness of the above-mentioned new tariff schedules;

It is further ordered, That, without in any way limiting the scope of the investigation, it shall include consideration of the following:

1. Whether any of the classifications, regulations, and practices contained in the above-mentioned tariff schedules are or will be unjust and unreasonable within the meaning of section 201(b) of the Communications Act of 1934, as amended;

2. Whether the above-mentioned tariff schedules will subject any person or class of persons to unjust or unreasonable discrimination, or give any undue or unreasonable preference or advantage to any person, class of persons, or locality, or subject any person, class of persons, or locality to any undue or unreasonable prejudice or disadvantage within the meaning of section 202(a) of the Communications Act of 1934, as amended;

3. Whether the Commission should prescribe just and reasonable classifications, regulations, and practices to be hereafter followed with respect to the service governed by the aforementioned tariff schedules and, if so, what classifications, regulations, and practices should be prescribed;

It is further ordered, That a hearing be held in this proceeding at the Commission's offices in Washington, D.C., at a time to be hereafter specified; and that the examiner hereafter to be designated to preside at such hearing shall certify the record to the Commission for decision without preparing either an Initial Decision or Recommended Decision;

It is further ordered, That the West Coast Telephone Company and all carriers concurring in the above-mentioned tariff schedules are hereby made parties respondent in the proceedings herein.

Released: October 13, 1959.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F.R. Doc. 59-8744; Filed, Oct. 15, 1959; 8:47 a.m.]

FEDERAL RESERVE SYSTEM

ATLANTIC NATIONAL BANK OF JACKSONVILLE AND ATLANTIC TRUST CO.

Notice of Tentative Decision on Applications by Bank Holding Companies for Prior Approval of Acquisition of Voting Shares of a Bank

Notice is hereby given that, pursuant to section 3(a) of the Bank Holding Company Act of 1956, the Atlantic National Bank of Jacksonville and the Atlantic Trust Company, both of which are bank holding companies located in Jacksonville, Florida, have applied for the Board's prior approval of action whereby said bank holding companies would acquire up to 94.75 percent of the voting shares of a proposed new bank, the Southside Atlantic Bank, Jacksonville, Florida. Information relied upon by the Board in making its tentative decision is summarized in the Board's Tentative Statement of this date, which

is attached hereto and made a part hereof[1] and which is available for inspection at the Federal Register Division and at the Office of the Board's Secretary and at all Federal Reserve Banks.

The record in this proceeding to date consists of the applications, the Board's letters to the Commissioner of Banking for the State of Florida and the Comptroller of the Currency inviting their views and recommendations on the applications, the replies of the Commissioner of Banking and the Comptroller, this Notice of Tentative Decision, and the facts set forth in the Board's Tentative Statement.

For the reasons set forth in the Tentative Statement, the Board proposes to grant the applications.

Notice is further given that any interested party may, not later than fifteen (15) days after the publication of this notice in the FEDERAL REGISTER, file with the Board in writing any comments upon or objections to the Board's proposed action, stating the nature of his interest, the reasons for such comments or objections, and the issues of fact or law, if any, raised by said applications which he desires to controvert. Such statement should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington 25, D.C.

Following expiration of the said 15-day period, the Board's Tentative Decision will be made final by order to that effect, unless for good cause shown other action is deemed appropriate by the Board.

Dated at Washington, D.C., this 12th day of October 1959.

By order of the Board of Governors.

[SEAL] MERRITT SHERMAN, *Secretary.*

[F.R. Doc. 59-8720; Filed, Oct. 15, 1959; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-847]

PACIFIC MILLS

Notice of Application To Strike From Listing and Registration, and of Opportunity for Hearing

OCTOBER 12, 1959.

In the matter of Pacific Mills, capital stock; File No. 1-847.

New York Stock Exchange has made application, pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following:

As of August 11, 1959, upon expiration of a purchase offer by Burlington Industries, Inc., only 71,679 shares remained publicly held, by 130 holders of round lots and 372 holders of odd lots.

[1] Filed as part of the original document.

Upon receipt of a request, on or before October 28, 1959, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official file of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 59-8721; Filed, Oct. 15, 1959; 8:45 a.m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

TSUTOMU AKATA

Notice of Intention To Return Vested Property

Pursuant to section 32(f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Tsutomu Akata, Tokyo, Japan; Claim No. 27466; $10.53 in the Treasury of the United States. Vesting Orders Nos. 1501 and 9271.

Executed at Washington, D.C., on October 8, 1959.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND, *Assistant Attorney General, Director, Office of Alien Property.*

[F.R. Doc. 59-8731; Filed, Oct. 15, 1959; 8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 205]

MOTOR CARRIER TRANSFER PROCEEDINGS

OCTOBER 13, 1959.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 62463. By order of October 9, 1959, the Transfer Board approved the transfer to Dale M. Gaston, Council Grove, Kans., of Certificate in No. MC 13748, issued July 5, 1955, to A. B. Cale, doing business as A. B. Cale Truck Line, Council Grove, Kans., authorizing the transportation of: *General commodities,* with the usual exceptions including household goods and commodities in bulk, *Livestock, feed, agricultural machinery, building material, hardware,* and *medicine,* between specified points in Missouri and Kansas.

No. MC-FC 62495. By order of October 9, 1959, the Transfer Board approved the transfer to Vernon Burke, doing business as Burke Trucking Co., Coon Valley, Wis., of Certificate No. MC 117470, issued August 4, 1959, to Thelma Fredrick and Vernon Burke, doing business as Fredrick & Burke, Coon Valley, Wis., authorizing the transportation of: Animal and poultry feeds, from Hammond, Ind., to points in La Crosse, Monroe, and Vernon Counties, Wis. John T. Porter, 708 First National Bank Building, Madison 3, Wis., for applicants.

[SEAL] HAROLD D. MCCOY, *Secretary.*

[F.R. Doc. 59-8723; Filed, Oct. 15, 1959; 8:45 a.m.]

FOURTH SECTION APPLICATIONS FOR RELIEF

OCTOBER 13, 1959.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40), and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 35754: *Joint motor-rail rates—C.R.I. & P.R.R. and Consolidated Freightways et al.* Filed by Middlewest Motor Freight Bureau, Agent (No. 194), for interested carriers. Rates on general commodities, moving on class and commodity rates, loaded in or on trailers of the motor lines over highways of the motor lines, thence transported on railroad flat cars of the railroads between points in Illinois, North Dakota, Minnesota, and Wisconsin, on the lines of applicant motor carriers, on the one hand, and points in Colorado, Iowa, Illinois, Kansas, Missouri, Nebraska, New Mexico, Oklahoma, Tennessee, and Texas, on the other, via junction points named in the application.

Grounds for relief: Motor carrier competition.

Tariff: Supplement 12 to Middlewest Motor Freight Bureau, Agent, tariff MF-I.C.C. 321.

FSA No. 35755: *Coal—Western Kentucky mines to Johnsonville, Tenn.* Filed by O. W. South, Jr., Agent (SFA No. A3852), for interested rail carriers. Rates on bituminous coal, carloads from mines in western Kentucky on the Illinois Central and Louisville and Nashville Railroads, including Uniontown, Ky., on the I.C.R.R., to Johnsonville, Tenn.

Grounds for relief: Barge competition from Uniontown and market competition with barge carriers on traffic from Uniontown.

Tariffs: Supplement 74 to Southern Freight Association, Agent, tariff I.C.C. 1414. Supplement 104 to Illinois Central Railroad Company, tariff I.C.C. E-1860.

FSA No. 35756: *Mineral wool insulation—Belton and Temple, Tex., to New Orleans, La.* Filed by Southwestern Freight Bureau, Agent (No. B-7657), for interested rail carriers. Rates on mineral wool insulation, carloads from Belton and Temple, Tex., to New Orleans, La.

Grounds for relief: Market competition at New Orleans with Birmingham, Ala.

Tariff: Supplement 217 to Southwestern Freight Bureau, Agent, tariff I.C.C. 4161.

FSA No. 35757: *Pig tin—Texas City, Tex., to Illinois and Indiana points.* Filed by Southwestern Freight Bureau, Agent (No. B-7658), for interested rail carriers. Rates on pig tin, carloads from Texas City, Tex., to Chicago, Ill., and points taking same rates, East St. Louis, Ill., and Gary, Ind.

Grounds for relief: Competition of carriers by barge and by barge and truck.

Tariff: Supplement 627 to Southwestern Freight Bureau, Agent, tariff I.C.C. 4139.

FSA No. 35758: *Glycerine, Texas points to Ordill, Ill.* Filed by Southwestern Freight Bureau, Agent (No. B-7659), for interested rail carriers. Rates on glycerine, other than crude, carloads, including tank-car loads from Dallas, Freeport, and Houston, Tex., to Ordill, Ill.

Grounds for relief: Short-line distance formula to an additional destination.

Tariff: Supplement 627 to Southwestern Freight Bureau, Agent, tariff I.C.C. 4139.

FSA No. 35759: *Fine coal, Illinois, Indiana and western Kentucky to Ottumwa, Iowa.* Filed by Illinois Freight Association, Agent (No. 78), for interested rail carriers. Rates on bituminous fine coal, carloads from mines in Illinois, Indiana and western Kentucky to Ottumwa, Iowa.

Grounds for relief: Market competition at Ottumwa with like coals from the Bevier, Mo., group mines.

Tariff: Supplement 34 to Illinois Freight Association, Agent, tariff I.C.C. 898, and other schedules listed in exhibit 1 of the application.

FSA No. 35760: *Ferro-Alloys, Calvert, Ky., to Butler, Pa.* Filed by O. W. South, Jr., Agent (SFA No. A-3851), for interested rail carriers. Rates on ferro-alloys, carloads from Calvert, Ky., to Butler, Pa.

Grounds for relief: Competition of carriers by barge and truck.

Tariff: Supplement 104 to Southern Freight Association, Agent, tariff I.C.C. 1376.

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 59-8722; Filed, Oct. 15, 1959; 8:45 a.m.]

CUMULATIVE CODIFICATION GUIDE—OCTOBER

A numerical list of parts of the Code of Federal Regulations affected by documents published to date during October. Proposed rules, as opposed to final actions, are identified as such.